Daily Report

Latin America

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Nations Study Ways To Combat Drug Trafficking

PA2404173791 Madrid EFE in Spanish 0617 GMT 24 Apr 91

[Text] Cartagena de Indias (Colombia), 24 Apr (EFE)—Participants in the ninth International Conference on Drug Control agree that the most efficient way to combat drug trafficking organizations is to prevent them from using their money.

Participants in the meeting, which was inaugurated on 23 April under heavy security measures by Colombian President Cesar Gaviria at the Cartagena de Indias Conventions Center, are considering common strategies to combat drug trafficking, especially by controlling money "laundering" and illegal trading of basic chemical products.

A document studied by delegates from the five continents explains that because of cooperation between the Colombian and U.S. authorities in 1990, over $200 million from drug trafficking was confiscated. The report adds that authorities in 26 countries have frozen the bank accounts of the Colombian drug cartels against whom, in August 1989, then President Virgilio Barco declared a "total war."

According to observers at the meeting, which is also being attended by state representatives from 32 countries, President Gaviria's campaign against the Colombian mafias since August 1990 has forced the drug traffickers to "diversify" their activities.

Venezuelan General Guillermo Guillen Avila, elected secretary of the conference, said that "the actions Colombia has taken over the past two years have definitively forced the drug trafficking organizations to seek new areas of operation." The general warned that "this is why the drug traffickers are seeking headquarters in Brazil, Ecuador, and Venezuela, nations which border Colombia. These bandits will seek new horizons in our countries." Guillen did not dismiss the possibility that Venezuela could become an area for the mafiosi to invest their money. He said that because of this, "we are urgently trying to reform our laws to thwart the drug traffickers' plans."

Argentine Defense Minister Alberto Lestele [title as received] said that his country will ask the international community to approve a practical manual against drug trafficking, which he described as "a model regulation to avoid the laundering of money throughout the continent."

"I can proudly say that along with other Latin American brothers in Washington, we are about to finish working on this regulation, which will be published within a short time," the Argentine minister said. Lestele denied the accusations leveled against the Argentine Government for its alleged ties to drug trafficking, saying that "they are the result of a campaign by the drug traffickers to destabilize governments that choose to confront them with specific measures that affect their cowardly interests."

Rene de Franchi, the French customs attache for Latin America, told reporters that the French Government has resolved the money "laundering" problem through the information provided to the Finance Ministry by the banking system and through police investigations. De Franchi recommended the establishment of multilateral agreements whereby information can be exchanged with international banks.

Justo Pastor Pacheco, Nicaraguan Assistant Attorney General, said that his country is being used as a "bridge" for the shipment of drugs from South America to the United States. According to Pacheco, with the disappearance of the Panamanian Government headed by General Manuel Antonio Noriega and with restrictions imposed on the ships that facilitated drug trafficking by way of the Panama canal, "they no longer had a bridge in that country and had to turn to other Central American nations."

Andean Pact Countries Create Anti-Cholera Fund

PY2404141291 Lima RTP Television Network in Spanish 1100 GMT 24 Apr 91

[Text] The Andean Pact countries have decided to create a common fund to fight the cholera epidemics. This information was released by Health Minister Victor Yamamoto, who attended a meeting of Andean Pact health ministers in Bolivia.

In a statement to the press, the minister also referred to the health workers' strike.

[Begin recording] [Yamamoto] The 15th meeting of Andean Pact health ministers arrived at very positive conclusions. One of them is to create a fund... [changes thought] a common front of ministers of the Andean region which is now being affected by the cholera epidemics. The creation of a common front will give stronger backing to our requests to international agencies.

[Reporter] How much will be earmarked for this fund?

[Second reporter] What will be the international economic aid for....?

[Yamamoto, interrupting] No decision has yet been made. As of 25 April, Andean Pact countries will create commissions to design the proposals that will be raised at a meeting of the Andean Pact presidents that will be held in Caracas between 17 and 19 [no month given]. [end recording]

Cuba

Comparison of Fidel Castro Bay of Pigs Speech

CM2404174991

Havana Cubavision Television in Spanish at 0028 GMT on 21 April carries Castro's speech on the Bag of Pigs anniversary. The Cubavision Television version has been compared with the Havana Radio and Television Networks version published in 22 April Latin America DAILY REPORT, pages 1-12, allowing for the following fills:

Page 4, column one, second full paragraph, second sentence reads: We are talking about industrial raw materials in general, for example caustic soda, which is very important in the sugar industry and the soap industry, and a series of important chemical products, metals, and lumber. (clearing queried word)

Same page, column two, first full paragraph, sixth sentence reads: All these events are also influencing the military sector. (clearing indistinct words)

Same page, same column, third full paragraph, third sentence reads: You can rest assured that the efforts of the party and the government to minimize the consequences of these problems are enormous. (clearing indistinct words)

Same page, same column, fourth full paragraph, third sentence reads: There are 201 brigades working on the sugarcane terrace engineering system, the drainage parceling system, or the drainage and irrigation parceling system, as we call them. (clearing indistinct words)

Same page, same column, same paragraph, fourth sentence reads: At times, different brigades stop working for a week due to lack of fuel, perhaps because a ship is late. (clearing indistinct words)

Page 5, column one, fifth paragraph, second sentence reads: The people are making tremendous effort to build hotels, all sorts of installations, and causeways. (clearing indistinct word)

Same page, column two, second paragraph, first sentence reads: It is truly incumbent upon us to think and consider what to do if at some time we may have to adjust to the zero or almost zero option. (clearing queried word)

Same page, same column, fourth paragraph, fourth sentence reads: They may be even worse ones, but doing the things we are doing facilitates the work that under other circumstances would be even more difficult. (clearing indistinct words)

Same page, same column, entire fifth paragraph reads: The words convertible foreign exchange are now in vogue. In other words, it has become a magic word. The first thing many people talk about is convertible foreign exchange. They want convertible foreign exchange, dollars. Of course, we do not trade in dollars with the USSR. The products we export would be worth dollars if we were to sell in dollars. Our products could be worth dollars but our agreements call for clearing [preceding word in English] trade. (clearing indistinct words)

Same page, same column, sixth paragraph, second sentence reads: Since we do not have dollars, we send products that we manufacture with sacrifice and sweat through our effort. (clearing indistinct words)

Page 6, column one, first partial paragraph, last sentence reads: We still do not know at this moment, no one knows this for sure. (clearing indistinct words)

Same page, column two, fourth paragraph, last sentence reads: Well, this is precisely what it is all about when we commemorate so historic a date as this, when the enemy dreams again of wiping out the revolution and again turning this country into a Yankee neo-colony—now more than ever, when the enemy dreams of grabbing this country forever and turning it into another Miami or something worse. (clearing queried word)

Same page, same column, fifth paragraph, third sentence reads: Everyone is watching to see what will happen in Cuba, what the Cuban people will do, what the Cuban people can do: all the people who preserve some vision for the world, who dream of progressive ideas, ideas of social justice, ideas of national unity and independence; all the people who dream of a better world, all the people who in one way or another hate with all their souls the thought of a world governed by the Yankee empire with the reactionary and fascist ideas that capitalism has spawned during its development; all the people who know a little history, who have noble and truly humane ideas, concepts, and values, hope that there is resistance to that world and that the socialist ideas can survive. (clearing indistinct words)

Page 8, column one, first full paragraph, tenth sentence reads: Ten years! And when many became tired and thought it was impossible to struggle amid such difficult conditions, and against so many enemy forces that wanted the peace of El Zanjon, Mateo said: No! (clearing indistinct words, providing alternate wording)

Page 10, column one, third full paragraph, third sentence reads: We have to strengthen revolutionary ideas because we have to wage the battle in those two fields. (clearing indistinct word, providing alternate wording)

Same page, same column, same paragraph, fourth sentence reads: It is as important to make trenches or something more than trenches, but it is also very important to clarify, strengthen, and defend ideas with courageousness and heroism against those who think that because they believe the socialist camp has fallen Cuba has to necessarily fall [members of the crowd yell: No!] and against those who doubt or want to sow doubt. (clearing indistinct word, providing alternate wording)

Same page, column two, first full paragraph, fourth sentence through end of paragraph reads: I mean they are not working with a lathe or working in offices; they are in other activities. In the camp run by the Ministry of Foreign Relations in Havana Province, or the one run by the Ministry of Foreign Trade, I have seen ambassadors, vice ministers, and intellectuals. I have seen people who work in a television station. I have seen people from different organizations who are not used to manual labor. I have seen people there that have gone once, for a two-week mobilization, and they have told me that they intend to go three times a year. (clearing indistinct words, providing alternate wording)

Same page, same column, second full paragraph, fourth and fifth sentences read: They spend two weeks working as if they were, well.... [changes thought] I could say they were working with their raw hands. (clearning indistinct words, providing alternate wording)

Page 11, column one, fourth full paragraph, fourth sentence reads: The more limited the resources are, the more decisive it is to use them within what is rational and optimum. (clearing queried passage)

Same page, same column, same paragraph, seventh through twelfth sentences read: Every once in a while there appear saviors, advisers; and they talk about making concessions to imperialism as if any revolutionary process in history has ever been saved by making concessions. You already know what happened. U.S. imperialism demanded a multiparty system. That is what they are after. The communists ran in the elections and won, but they were not pleased with that. The communists had to be thrown out some way or another, the people thrown out in the street and all kinds of problems created, and they had to throw out the government that had won the elections. (clearing indistinct words, providing alternate wording)

Same page, column two, first full paragraph, ninth and tenth sentences read: If a capitalist comes and has technology and a market and capital, and wants to do business with us, we ask: What kind of business? If the business is something that is to his benefit and is to our benefit, then we will say: Yes, very good, sir. (clearing indistinct words, rewording for clarity)

Page 12, column one, second full paragraph, penultimate sentence reads: There will be hundreds of thousands of bicycles this year, and them millions of bicycles. (clearing indistinct words)

Same page, same column, third full paragraph, fourth sentence reads: It has happened other times. (clearing indistinct words)

Same page, same column, same paragraph, sixth sentence reads: An illegal vendor hired him, and he went running off, stole some construction materials, he was given a pile of money, and that was what we got from those permits in many places. (clearing indistinct words)

Same page, column two, first partial paragraph, second full sentence to end of paragraph reads: We cannot believe their tall tales. We cannot believe their stories about bourgeois democracies. Sometimes 20 percent, not even 25 percent, of the people vote in a bourgeois democracy. More than 90 percent of the people vote in our country. (clearing indistinct passage, providing alternate wording)

Commentary Considers U.S. Reports on Kurds Issue

FL240413191 Havana Radio Rebelde Network in Spanish 1155 GMT 23 Apr 91

["Our Opinion" commentary by Ariel Larramendi Villafane]

[Text] A review of newspaper articles, cables, and reports on the Kurds gives us the impression that an attempt is being made to manipulate world public opinion by means of biased information. An international cable, based on reports from U.S. commentators, informs us today that President George Bush might have gotten himself into a tight corner in Iraq for not listening to the Kurds in time. According to White House sources, it was admitted that no one in the presidency or the State Department expected an uprising after the conclusion of the Persian Gulf war. They had only expected a military revolt against Iraqi President Saddam Husayn.

According to reports published by the U.S. press on 7 April, the leaders of the National Kurdish Congress of America said the CIA had for weeks conducted actions to incite an uprising against Saddam Husayn's government. (Ahmad Halabi), president of the organization, said in Washington that the CIA-controlled Radio Free Iraq broadcasted from a station in Saudi Arabia during the Gulf war. He added that CIA agents visited refugee camps in Turkey to incite a rebellion on the other side of the border. He also said the Kurdish resistance had not prepared a campaign against the Iraqi regime and that once the U.S.-incited uprising started they had no other choice than to follow the movement.

Here is the conflict: Either the CIA continues to conduct some secret operations independently from the White House, or they are trying to throw in the towel for the president to save face, or they underestimated that the exodus toward Turkey of more than 1 million Kurds could only create a crisis for the pro-U.S. Turkish Government.

Going back into history, we should remember that the Kurds, scattered all over Turkey, Iraq, Iran, Syria, and the Soviet Union, have been fighting for an independent state, for the right to retain their language and customs, and for their national identity for the last century. After the fall of the Ottoman Empire at the end of World War I, the Kurds were promised an independent fatherland, but the promise was not fulfilled due to the interests of France and Great Britain and the divisions made by other influential spheres.

If the current Kurdish rebellion had toppled Saddam Husayn's regime, good for the United States, but reaching an independent land was not in the plans because the Kurdish minorities could destabilize the whole region by also claiming their independence in other countries, especially in Turkey, which is NATO's southern flank, and even worse if a million-and-a-half Kurds cross the Turkish border to reside there.

Since Turkey will not accept the massive influx of Kurds, the idea appears to be to establish refugee camps inside Iraq itself and to avoid further complications which will surpass U.S. expectations. These camps are guarded by U.S. troops and it seems that it is going to be somewhat difficult—but not impossible—to transfer these camps to the United Nations and other international organizations because the United Nations should cooperate with Iraq and not give orders like the United States has currently been doing. In the meantime, today a whole nation which has served as a geopolitical toy faces an uncertain future. This is what it is all about.

CPSU Central Committee Special Plenum Reported

FL2404173091 Havana Radio Progreso Network in Spanish 1625 GMT 24 Apr 91

[Text] Today the CPSU Central Committee began a special plenum that is debating the political and economic crisis the country is going through and the Central Committee's internal situation, which has been shaken by deep differences.

The possibilities of calling Mikhail Gorbachev to account and even replacing him has been suggested by some 11 organizations in the country headed by the Soyuz parliament group which favors the establishment of the state of emergency in the country.

Anatoliy Malofeyev, the top leader of the Communist Party in Belorussia, criticized the price increases in effect since the beginning of the month and said they were the cause of the political direction the strikes affecting the republic have taken.

In the meantime, the Soviet newspaper PRAVDA published a joint statement signed by Gorbachev and the leaders of nine republics of the country which favors the implementation of urgent anti-crisis measures in the economic area and the signing of the new treaty of the Union.

Support for Gorbachev Noted

FL2504124491 Havana Tele Rebelde Network in Spanish 1100 GMT 25 Apr 91

[Text] Mikhail Gorbachev has reaffirmed his decision to occupy simultaneously the position of general secretary of the CPSU and the country's presidency as an essential condition to overcome the current national crisis. During the opening speech of the CPSU Central Committee plenum which began in Moscow yesterday, Gorbachev rejected the accusations against him on the inconveniences of assuming both responsibilities and the calls for his resignation.

The CPSU Politburo unanimously supported Gorbachev to remain as the head of the party and state. The Central Committee plenum will discuss the country's situation, the ways to overcome the crisis, and the Communist Party's activities in the local Soviet governments.

During yesterday's speech, Gorbachev pointed out the unanimous will to speed up the preparation process for the signing of the new Union treaty.

Minsk Strike's Focus on Political Issues Reported

FL2404163791 Havana Tele Rebelde Network in Spanish 1300 GMT 24 Apr 91

[Text] Several of the main enterprises in Minsk, the capital of the Republic of Belorussia, are in their second day of a strike in support of politic and economic demands. (Aleksey Yakov), director of that republic's news agency, stated that thousands of citizens began to mobilize and headed toward the town's main square in support of their demands.

According to this source, the economic demands of the striking workers are no longer as important inasmuch as most of them have already been granted, but the protest movement continues to focus on political issues. (Yakov) pointed out that discussions held by the Minsk strike committee members on the creation of a parallel government constitutes an attempt to overthrow the government.

NOVOSTI reported that the strike has completely or partially paralyzed almost 40 enterprises.

Financial Institutions for Development To Meet

FL2404135791 Havana Tele Rebelde Network in Spanish 1100 GMT 24 Apr 91

[Text] Cuba will host the 21st regular general assembly of the Latin American Association of Financial Institutions for Development, ALIDE, to be held at the Palace of Conventions in Havana from 6 to 9 May.

Cuba will submit several projects that might be of interest to international finance institutions and development banks in our continent. Alberto (Boza-Hidalgo) Gato, vice president of the National Bank of Cuba [title as heard], held a news conference in which it was reported that the Cuban proposals to promote investments and businesses will be presented within the framework of the ALIDE assembly.

Representatives of over 100 institutions are expected to attend. The main subject will be the adjustment of the Latin American economic development in the nineties.

* End to 'Persecution' of Critical Workers Urged

91CA0106A Havana JUVENTUD REBELDE in Spanish 17 Mar 91 p 4

[Commentary by Soledad Cruz]

[Text] If you go to the laboratory where Maria works, or to Jose's collective law office, or to the radio station that employs Magdalena, their respective bosses will tell you that no, the fact that they have been let go or that they received unfavorable evaluations has nothing at all to do with the critical statements they made regarding the problems of their workplaces and the management thereof.

And there will be no way to prove otherwise, even if everyone believes that yes, indeed, the three got involved because they wanted to be honest, and even if everyone comes to the conclusion that they themselves should remain silent if they do not want the same thing to happen to them.

That, of course, is not the policy of the revolution. There is no legal provision endorsing such behavior. Moreover, the trade union, the Party, and the Union of Young Communists (UJC) are there to counteract the abuses of any misguided boss, to protect the workers and make sure the actual policy is enforced.

But despite all the safeguards to prevent such situations, they happen. And every time they do, the victim is traumatized, because it is incomprehensible that in a society like ours, where the rule of law prevails, where justice is worshiped, and where democratic ideals are manifested in the right enjoyed by everyone to express opinions on the management of their business or workplace, one might be forced to pay such a painful price for exercising these hard-won rights.

The worst thing is that from the moment the criticism takes place, a kind of persecution begins. It may be clumsy or subtle, but it makes itself known to the person who expressed an unfavorable opinion of the management. He becomes like a germ under a microscope. Every gesture, every expression is blown out of proportion. If he never drew attention before, if he was never told that he was slow, that he turned in reports with spelling errors, that his work was not efficient, now he is constantly reminded of all his faults.

This harassment makes the victim nervous, it irritates him, it beats him down. Far from encouraging him to rectify his errors or to work more diligently, what it does is stigmatize him and make him feel that everyone is picking on him because he criticized the management. And then comes the resentment, the loss of faith, the doubts about the principles that are proclaimed in speeches and at congresses.

Then opportunists, who are on the lookout for any irregularity so that they can undermine faith in the revolution's ability to establish justice, begin giving emotional support to the mistreated citizen, and the official hypocrites find an excuse to justify their cushy jobs.

But there is a greater evil, and that is the fact that coworkers become accomplices in all of this, because to avoid trouble they stay out of the controversy. It is easier to go along than to fight.

We must find ways to make the managers of all workplaces and territories understand that the revolution is not an abstract phenomenon. It is very concrete, and the impression people have of it depends as much on these individual confrontations as on the great social benefits.

Every time a person in a position of authority lights into a subordinate, due to his arrogance, his inability to be self-critical, or his misguided notion that authority is undermined when someone points out a mistake, he does harm to the revolution, and also to the labor and political organizatons that allow this to happen.

Every injustice that is committed, every abuse of any sort, every failure to show sensitivity, is an assault not on the consortium or on the employer, but on the revolutionary state and its prestige.

We are going through a critical period in this country, but it is precisely for that reason that we must exercise more care and propriety in dealing with problems. If someone criticizes without having any moral or factual grounds for doing so, he must be disabused of his error for instructive purposes, but ill-conceived reprisals teach a dangerous lesson that in the long run widens the gap.

Nothing that puts distance between us contributes to the understanding and unity that we so desperately need for our survival today. We should definitely learn that expressing different opinions does not mean being adversaries, and that the first element of authority is setting an example, not wielding the weight of power.

Haiti

Government Uncovers Plot, Urges Popular Vigilance

FL2404203391 Port-au-Prince Radio Haiti-Inter in French 2100 GMT 23 Apr 91

[Text] A press release, dated 23 April 1991 and signed by the head of government, calls for popular vigilance and collaboration with the Armed Forces, following information revealing a terrorist plot aimed at destabilizing the government. The press release reads as follows:

Following the fire and other criminal acts perpetrated for more than a week, particularly at the Hyppolite market on 14 April, and yesterday at the Minoterie [national flour company] of Haiti; following the discovery of several criminal and terrorist organizations, and loads of convergent information revealing the existence of a terrorist plot aimed at destabilizing the government and threatening constitutional order by arson; and following

the incitement to riot and plunder, the government of the Republic is calling for the vigilance of the population and solidarity against antidemocratic forces and collaboration with the Armed Forces for the protection of democracy and the constitutional order.

The minister of the interior and national defense gave orders to the Armed Forces of Haiti to take all necessary measures to protect property and lives and to safeguard constitutional order.

[Signed] Port-au-Prince
23 April 1991
Rene Preval, prime minister, minister of interior and national defense

Aristide To Address Human Rights Meeting

FL2304154591 Bridgetown CANA in English 1505 GMT 23 Apr 91

[Text] Bridgetown, Barbados, April 23, CANA—Haitian President Jean Bertrand Aristide will address the sixth annual general meeting of Caribbean Rights, opening Thursday in the Haitian capital, Port-au-Prince. The Barbados liaison office of the regional network of human rights groups said Aristide will share some of his own experiences in the struggle for human rights in Haiti at the formal public session of the three-day meeting. Aristide, a Roman Catholic priest, took office in February as Haiti's first freely elected head of state. He had been an outspoken critic of the Duvalier dictatorship and the military goverments that ruled Haiti subsequent to Duvalier's ouster in 1986.

Caribbean Rights said the meeting will focus on wide-ranging human rights issues since the organisation's fifth conference in the Bahamas. These will include increasing incidence of police infringements of citizens rights across the region and problems relating to electoral democracy and penal reform.

This is the first time Caribbean Rights, formed in 1986, is holding an annual general meeting in Haiti where its local affiliate is the Haitian Ecumenical Centre for Human Rights, headed by Dr. Jean Claude Bajeux. Observers and delegates will include representatives from Americas Watch, National Coalition for Haitian Refugees, the Inter-American Institute for Human Rights, and the Surinamese Human Rights Group, 'Moiwana' 86.

Caribbean Rights has been involved along with Americas Watch and the National Coalition for Haitian Refugees in joint human rights monitoring missions to Haiti since 1987. Following the annual general meeting, Caribbean Rights will pariticipate in a new fact-finding mission to gather information on the latest human rights situation in Haiti which has observer status with the Caribbean Community.

The special emphasis of the mission, scheduled to take place from April 29-May 2, will be on the administration of justice in Haiti. To be headed by Johnny Mc Calla, executive director of the National Coalition for Haitian Refugees, the mission will include Victor Cuffy, chairman of the St. Vincent and the Grenadines Human Rights Association (who will represent Caribbean Rights), and Mary-Jane Camejo of Americas Watch.

Among Haitian officials with whom interviews have already been requested are: President Aristide; Justice Minister Bayard Vincent; Foreign Affairs Minister Marie-Denise Fabien Jean-Louis; Lieutenant General Herard Abraham, commander of the Haitian Armed Forces; and the country's chief of police.

Thousands Demonstrate Against High Cost of Living

FL2404215091 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 24 Apr 91

[Report by Port-de-Paix correspondent]

[Excerpts] About 1,500 to 2,000 people, mainly students, demonstrated on 23 April in Saint-Louis du Nord, a city located about 15 km east of Port-de-Paix [metropolis of the Northwestern Department] to protest the high cost of living in the Northwestern Department. The demonstrators also expressed support for the Aristide-Preval government. They called for the dismissal and trial of all state employees in the northwest who have not properly done their jobs in the past. Their placards, used in the demonstration in Saint-Louis du Nord, read: Down With Military Drug Dealers—Up With Patriotic Military Men; and Justice Must Stop Being Used for Barter in the Country. [passage omitted]

In a report issued by the Justice and Peace Commission on the high cost of living, it is asserted that no shopkeeper in the northwest has respected the prices set by the government for cement, sugar, and rice. According to the report [word indistinct] Saint-Louis du Nord, a sack of refined sugar costs 285 gourdes [$57], a sack of cement costs 47 gourdes [$9.40], and rice cannot be found at all for purchase.

The committee signing this report for Justice and Peace in Saint-Louis du Nord asks the commerce minister, Smarck Michel, and the prime minister, Rene Preval, to make a visit as soon as possible to the northwest in order to alter the situation of the high cost of living in the department.

On the matter of collection, efforts are being made to support the Aristide government by the people in Saint-Louis du Nord, who have collected 9910.25 gourdes [$1,982.05].

Costa Rica

Calderon Says U.S. To Send Military Engineers

PA2504042591 Mexico City NOTIMEX in Spanish 0243 GMT 25 Apr 91

[Text] San Jose, 24 Apr (NOTIMEX)—Costa Rican President Rafael Angel Calderon said tonight that the U.S. Government will send a group of military engineers to Costa Rica to help rebuild the San Jose-Limon highway.

In a speech to the nation, the president stressed that "people close to President Bush today called from the White House on behalf of the U.S. President asking how they could help." Calderon asked for a team of military engineers for the reconstruction work.

Calderon also said that tomorrow night he will ask Venezuelan President Carlos Andres Perez for an 800 million colones (approximately $6.7 million) loan from the Venezuelan Investment Fund.

The Costa Rican president said the funds requested from Venezuela will be used to repair the water and sewer systems and the medical facilities damaged by the 22 April earthquake.

Carlos Andres Perez is expected to arrive on the night of 25 April during a stopover on his way to Caracas from Nicaragua, where he is attending celebrations commemorating the first anniversary of the government of President Violeta Chamorro.

"I will also ask friendly countries to support Costa Rica in obtaining an increase in the amount of World Bank credits already granted," the president added.

Banana Exports Paralyzed in Wake of Earthquake

PA2404200291 Paris AFP in Spanish 1731 GMT 24 Apr 91

[Text] San Jose, 24 Apr (AFP)—Banana sector sources have confirmed in this capital that Costa Rica's banana exports have been paralyzed since Monday as a result of the earthquake that destroyed this country's Atlantic coast region. Costa Rica is the world's second largest producer of bananas.

Currently, Costa Rica's daily banana exports to Europe and the United States are totaling 200,000 boxes (each box weight 18.4 kg). This export represents the country's main source of foreign exchange income. The serious damage suffered by the Puerto Limon dock as a result of the earthquake will impede the shipment of the fruit for at least two weeks, some experts have estimated. Puerto Limon is 190 km east of San Jose.

A spokesman for the National Banana Corporation [Corbana] has said that last year Costa Rica exported 74 million boxes and that this year it had been expected to export 10 million more in line with a development plan that is being implemented in recent years in La Estrella Valley, one of the regions most affected by the earthquake.

Approximately 27,000 hectares of the valley, which is 30 km south of Puerto Limon, are planted with bananas, and although the plantations did not suffer much damage, according to the most important banana companies, the area's infrastructure was practically razed by the quake.

Much of the railroad system used to transport the fruit from the plantations and from the packing installations was rendered useless and 100 kilometers of roads as well as 22 bridges in the area were destroyed.

The export problem of Costa Rica was aggravated by the destruction of the port of Almirante, in the Panamanian province of Bocas del Toro, which Costa Rica used as an alternate dock for shipping the fruit.

Changuinola and Almirante are the most important banana producing regions of Panama, just like Limon and La Estrella Valley are the most important banana regions of Costa Rica. Panama's banana export operations have also been paralyzed because of the quake.

El Salvador

Rebels Say Government Position 'Inflexible'

PA2404233691 Hamburg DPA in Spanish 2010 GMT 24 Apr 91

[Text] Mexico City, 24 Apr (DPA)—The current round of talks taking place in Mexico City between the government and guerrillas of El Salvador runs the risk of concluding without an agreement, a leader of the insurgent movement said today.

Miguel Saenz, member of the Farabundo Marti National Liberation Front's [FMLN] Political-Diplomatic Commission, blamed the government delegation, which he accused of being "inflexible and lacking resolve," for the possible failure of the meeting, which started on 4 April.

A symptom of the crisis in the talks was seen at noon today when there was uncertainty about an effective resumption of direct talks between government and FMLN representatives. These talks should have closed yesterday in accordance with the calendar established for this round of talks.

Saenz said that the guerrillas will do all they can to guarantee a continuation of the dialogue, because "the process is irreversible, regardless of obstacles and difficulties, because it has the support of the Salvadorans and the international community."

Although the rebel leader predicted "serious complications" should no agreements be reached before 30 April—the deadline for the current legislature to approve possible amendments to the Constitution

demanded by the guerrillas—he reaffirmed the FMLN's determination not to abandon the talks.

However, he accused the Cristiani government of "betting again on the theory of a military victory" over the FMLN and trying to "discredit and weaken the negotiations."

Saenz said that the rebel delegation is still awaiting a government reply to its last initiative, presented on 21 April, seeking to overcome the stalemate. The new proposal calls for agreements in principle on specific constitutional amendments and temporary mechanisms to later facilitate their approval.

In this regard, he said that there are indications that in the next few hours the government and Army will reportedly announce "some amendments which in fact have no substance and which have not been discussed at the negotiating table" to blame the guerrillas for a possible failure of the talks.

Commander Martinez Comments on Negotiations

PA2404223791 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 24 Apr 91

[Text] During a telephone conversation on the evening of 23 April, Commander Ana Guadalupe Martinez, an FMLN [Farabundo Marti National Liberation Front] leader and a delegate to the negotiations with the government in Mexico City, said that the government delegation might return to San Salvador today with a document—unsigned by the guerrillas—that was drafted by the delegates who arrived in Mexico City earlier this week. This is what Commander Martinez had to say:

[Begin Martinez recording] The document brought to Mexico City by representatives of the political parties Arena [Nationalist Republican Alliance], PCN [National Conciliation Party], MAS [Movement for Salvation], and the Christian Democratic Party [PDC] deals with constitutional reforms that would leave the Supreme Court of Justice in the hands of Arena for two, no, nine more years. According to the document, Arena would handle the new Electoral Tribunal; the Armed Forces would be left intact, without any reforms; the allegedly new civilian police would be directed by Colonel Marquelez Varela instead of by Col. Ponce, thus making it possible for Arena to directly organize the death squads; the designation of the Human Rights Prosecutor would also be controlled by Arena. For all such reasons, the government wants to unilaterally present this package to the Legislative Assembly, together with several constitutional reforms outside the negotiating table, on 25 April.

The government delegation wants to return with the package tomorrow to make a show of it in San Salvador. This plan does not change the country's situation, but reinforces the power of Arena and the right-wing elements in El Salvador. The government conduct is also dictated by the fact that it has succeeded in enlisting the PDC's support. The PDC has turned its back on its rank-and-file members and has ignored the nation's desire for change and progress at the negotiating table. We know that the pact between the PDC and Arena hinges on the government's offer to give Fidel Chavez Mena the post of the Presidency of the next Legislative Assembly. Likewise, the government has offered the PDC several other positions such as Presidency of the Supreme Court of Justice and the president of what is to be a new electoral tribunal. By making such deals, the PDC is destroying the possibilities of this meeting and for changes in the country—changes that could improve the daily lives of all Salvadorans. This seems to be the PDC's position and this is the government's gamble. We want to report this because we are still attempting to achieve some results at the negotiating table. We want to prevent the government from destroying the possibilities for a negotiated agreement by leaving the negotiations. [end recording]

'Violent Fighting' Between Government, Guerrillas

PA2404185091 Paris AFP in Spanish 1621 GMT 24 Apr 91

[Text] San Salvador, 24 Apr (AFP)—Official sources have reported that violent fighting occurred between government forces and guerrillas today. There were at least four dead and 22 wounded on both sides while vast areas of Salvadoran territory remained without energy after rebel sabotage.

The Armed Forces Press Committee (Coprefa) reported that two guerrillas of the Farabundo Marti National Liberation Front (FMLN) were killed and more than 12 were wounded in clashes with elite Army troops in Arcatao, 120 km north of the capital in Chalatenango Department.

Coprefa added that another guerrilla was killed and four were wounded in armed clashes that occurred in Las Vueltas, also in northern El Salvador.

The Army's press office also reported that a soldier was killed and two were wounded in clashes with guerrilla groups in Coatepeque, in western Santa Ana Department.

Four other rebels were wounded in another clash with military groups in San Jose Guayabal, north of San Salvador. Coprefa also disclosed that two attacks were carried out on military positions in San Lorenzo and Sesori in eastern San Salvador but no casualties were reported.

In addition, there was no power today in central El Salvador, including the capital, because of guerrilla attacks on power structures, official sources added.

Guatemala

URNG, Government, Mediators Begin Talks

PA2404185291 Hamburg DPA in Spanish 1633 GMT 24 Apr 91

[Text] Guatemala City, 24 Apr (DPA)—According to a direct televised transmission to Guatemala, the talks between the Guatemalan National Revolutionary Unity (URNG)—made up of the guerrilla groups fighting in Guatemala—and the government representatives, including the Army, started in Mexico City at 0900 (1500 GMT) today.

The transmission was carried by Channel 7, via satellite, and was received in Guatemala, where there is great interest over this first dialogue between the guerrillas and the government to find the path for peace in the country.

The meeting was opened by Monsignor Rodolfo Quezada Toruno, president of Guatemala's National Reconciliation Commission, an organization acting as the mediator between the two sides. Quezada explained the importance of the dialogue and called for reconciliation.

Guerrilla commander Gaspar Ilom (Rodrigo Asturias) spoke next. He expressed appreciation for the understanding and support that the Guatemalan peace efforts have received from the international community. Manuel Conde, general secretary of the Presidency, also spoke. He highlighted President Jorge Serrano Elias' peace efforts. A brief statement was also made by UN observer Francesc Vendrell.

Prior to concluding this public phase of the talks, Msgr. Quezada announced that there will be a news conference tomorrow afternoon to report on the results of this historic meeting.

The talks are being held today and tomorrow at the "Casa Blanca" Hotel in Mexico City.

Honduras

* Economy Minister on IDB Negotiations

91CA0100F Tegucigalpa EL HERALDO in Spanish 5 Mar 91 p 3

[Text] An Inter-American Development Bank (IDB) programming mission opened its negotiations with the Honduran Government yesterday on public and private investment projects requiring financing in excess of $700 million. According to statements made by Economy and Commerce Minister Ramon Medina Luna, infrastructure projects, including water works, environmental cleanup, agriculture, and modernization and expansion of the productive sectors, are highlighted.

The program to modernize and expand the national industry's productive sector is considered vital to the economic and social recovery of Honduras. It requires funds totaling approximately $250 million.

These are directed programs paying special attention to the private sector, aimed at increasing national exports. Included in the state sector is action to reduce the fiscal deficit.

The loans granted by the IDB are for long-term payment (20 to 30 years) at low interest rates. Medina Luna claims that the economic adjustment program being executed by the government is not based on any conditions set by international agencies.

The present negotiations are associated with this year's financial support; however, in the discussion, programs for 1992 and 1993 are being considered, and current disbursements are being received from the IDB.

The planning minister, Manlio Martinez, for his part, commented that the meeting held with the IDB executives (Joel Riley, assistant manager of operations for Central America; Edgar Ayales, regional director; and Charles Greenwood, that agency's representative in Honduras; and others) proved positive.

Martinez noted that several projects have been identified that could contribute to a rise in the national production and to the tourism area.

Also discussed with the IDB executives was the need to improve the public sector's efficiency, enabling it "to support this entire transformation in the productive area."

* COHEP: No More Taxes, Less Government

91CA0100D Tegucigalpa EL HERALDO in Spanish 5 Mar 91 p 2

[Text] Instead of the Executive Branch sending new bills to the National Congress to impose further taxes on the people, the government should reduce its size and direct its resources toward production, without attempting to reduce the fiscal deficit based on more taxes.

This statement was made to EL HERALDO by the secretary of the Honduran Council for Private Enterprise (COHEP), Joaquin Luna Mejia, when asked his opinion of the draft Decree Law on Selective Taxes for Consumption. The latter proposes an increase in taxes on gasoline, luxury items, and coffee, among others.

Luna Mejia remarked that those taxes should be analyzed with "great responsibility and in depth" by the present administration, because it is impossible "for us to continue trying to close the fiscal gap based on more taxes."

He commented: "The first thing that the government should do is reduce its size and direct its resources toward production and productivity. It should not try to cut the fiscal deficit by proposing the creation of further taxes."

He claimed: "I could not say that those taxes would be another blow to the economy, because things sometimes become distorted. I have been told, it is not because I have

studied it, that the new taxes are for compensation, because they are being raised on the one hand and cut on the other."

He said that the government headed by Rafael Leonardo Callejas should improve the economy with the aid of all sectors, because the present administration alone cannot improve the fiscal gap situation.

According to Luna Mejia, it is not entirely true that the people have been hard hit by the impact of the economic adjustment measures imposed last March by the government then in office. The business leader claimed: "All sectors have sustained that blow."

Nevertheless, he admitted that the country's low and middle classes have been the ones most harmed by the structural adjustment of the economy.

Nicaragua

Contras Reportedly To Proclaim Godoy President

PA2404235391 Managua Radio Ya in Spanish 1200 GMT 24 Apr 91

[Text] A report from Matagalpa states that more than 1,000 contras are gathering at a place known as Rancho Grande to take actions on 25 April designed to destabilize the government of the Republic.

The report adds that the rebels are armed with weapons that were not surrendered to the CIAV [International Support and Verification Commission] and the OAS during last year's demobilization. They state that on 25 April in Rancho Grande—80 km from Matagalpa—the contras plan to proclaim [current Vice President] Dr. Virgilio Godoy as the president of the Republic.

Behind actions involving armed elements moving about the northern part of the country are the political interests of certain sectors that are trying to hurt the government of Violeta Chamorro.

Presidency Minister Antonio Lacayo said that it is important to note that the rebels publicly voiced their decision to proclaim Dr. Virgilio Godoy as the president of the Republic. He added that a mission will be sent to hold talks with these armed men, but the government will not allow the Constitution to be violated. Minister Lacayo, who returned from Mexico last night, also made statements to the journalists about the results of his trip, which he described as positive.

Ex-Contras Threaten Towns

PA2504040091 Managua BARRICADA in Spanish 23 Apr 91 p 5

[Article by Juan R. Huerta]

[Text] Matagalpa—A high-level government and Armed Forces commission is conducting an on-site investigation into the circumstances surrounding the 19 April death of former contra chief "Tigre" as he and 15 others armed with machetes tried to occupy the German Pomares Cooperative in El Caracol, about 30 km north of Yali, Jinotega Department.

This defensive action by the cooperative members took place hours after about 500 armed men of the so-called resistance threatened to occupy cooperatives and state institutions, and murder government and FSLN [Sandinist National Liberation Front] officials in the municipalities of Wiwili, San Jose de Bocay, El Cua, and Matiguas.

Reports from the Quilali-Jinotega border area indicate that at least 150 men have reportedly joined the plan that, according to the former contras, would start on 25 April—the first anniversary President Violeta Chamorro's government.

On 18 April, the armed groups kidnapped EPS [Sandinist People's Army] officer Candelario Peralta Balmaceda. The next day, 15 men armed with machetes and another group armed with rifles and other weapons, besieged the German Pomares Cooperative.

The former contras threatened to burn cooperative members' homes while the nearby grass was on fire. Hours later, the aggressors engaged in a pitched battle with their machetes, and as a result, Rodolfo Calero, alias "Tigre," was killed and two others seriously wounded.

A source close to the former contras told BARRICADA that about 500 men are making military preparations in various points of the region, including a farm called La Varonesa, near Yali; they plan to to attack the police and other state institutions in Wiwili.

Other sources report that former contras have arms caches in Ayapal and San Jose de Bocay, but do not say whether they will use such arms. Local peasants have reported that the weapons are covered by parachute fabric.

Unofficial reports state that Army troops have begun to occupy positions near the towns threatened with disturbances and are dismantling arms caches found deep in the mountains of Matagalpa and Jinotega.

"We will defend the Constitution and integrity of this government," said an Army official who is commanding a unit in Jinotega that would see action should the armed men try to destabilize the relative peace that prevails in the mountain areas.

Former contras are demanding compliance with the agreements signed last May in El Almendro. These agreements have not materialized in the past year, and thus, the situation in this region is tense.

According to witnesses, other contra groups organized in small units and equipped with light arms are moving about in Matiguas.

Other reports indicate that this plan also seeks the dismissal of municipal officials, including those in the region's mountainous municipalities.

Lacayo Expresses 'Satisfaction' With Mexico Visit

PA2504000691 Managua Radio Sandino in Spanish 1309 GMT 24 Apr 91

[Text] Presidency Minister Antonio Lacayo, upon returning from an official three-day visit to Mexico, expressed satisfaction with that country's support for President Violeta Chamorro's government. Lacayo said that he had two missions to fulfill; the first was to solicit Mexican Government's support for Nicaraguan Government's economic readjustment program, which is being implemented with Mexico's economic contributions to Nicaragua's overdue payments to the international banks. The presidency minister also met with members of the Salvadoran guerrilla delegation, conducting talks with the Salvadoran Government in Mexico City, to encourage them to seek a negotiated solution to the military conflict in that neighboring Central American country.

Speaking at a news conference following his return from Mexico, Lacayo said that the Nicaraguan Government will appoint a commission to talk with members of the demobilized Nicaraguan Resistance, who have threatened to resume the armed struggle.

[Begin Lacayo recording] I am returning today from a three-day official visit to Mexico on the instructions of President Violeta Chamorro. I met with Mexican Finance Secretary Pedro Aspe to discuss Nicaragua's economic situation and the progress we have made toward paying our overdue payments to the international financial organizations. I also took a personal message from President Chamorro to the FMLN [Farabundo Marti National Liberation Front] delegation that is in Mexico negotiating peace in El Salvador.

I return with the satisfaction of having fulfilled this dual mandate which, to some extent, sums up the Nicaraguan Government's priorities for its second year in office, beginning on 25 April. After the first year in office devoted to consolidating peace within Nicaragua, we now propose to stabilize the economy and establish the foundations for economic growth and development in 1992. We also wish to extend Nicaragua's stability to the entire Central American region, especially to El Salvador and Guatemala, which are currently conducting negotiations designed to end the years of warfare in these countries.

Concerning the first mandate, I met with Finance Secretary Aspe to discuss the progress of the "Let's go to the Cordoba" stabilization program, and to inform him of our efforts to collect the funds necessary for paying Nicaragua's 360 million [currency not specified] in overdue payments to the IMF and World Bank. This effort has been fortified by the U.S. decision—reached in the wake of President Chamorro's visit to Washington—to increase its share of the contribution to this multinational effort to $75 million. The Nordic countries, The Netherlands, and France have also pledged to contribute, while Spain, Mexico, and Venezuela are sharing in the effort to provide us with a stop-gap loan of $225 million that will facilitate this operation and allow Nicaragua—within the next three of four months—to definitely begin paying its overdue payments. Such aid will enable us to obtain fresh credits from those two important banks to finance the country's development as of 1992, which is what we have always said. Mexico has agreed to consider its participation in this effort along with Spain and Venezuela, and will publicly announce its decision when the International Community meets on 15 and 16 May in Paris.

With regard to the second mandate, I met with the FMLN command in Mexico. I delivered a message of grief and sympathy from President Chamorro over the death of Antonio Cardenal, Commander Jesus Rojas. I also conveyed President Chamorro's message that Cardenal's death should reinforce the FMLN's conviction that it is necessary to achieve a negotiated solution in El Salvador, to end years of military conflict, and to open the door to the FMLN's incorporation into the country's political life so that it can attempt to achieve its objectives on the political arena.

As I said in the beginning, I am pleased to have fulfilled my mission which, undoubtedly, will foster the implementation of the dual objective that Nicaragua has established for its second year in office: economic stabilization and a contribution to stability of Central America. [end recording]

Panama

Vice President Ford on World Bank Demands

PA2404005391 Panama City LA PRENSA in Spanish 16 Apr 91 p 1

[Text] Second Vice President Guillermo Ford has said that the government will not fire any public employee, despite the World Bank's recommendation in this regard. At the same time he announced that a study is being undertaken on paying government workers a year-end bonus.

A 1991 report states that the World Bank had made the following recommendations to the Government of Panama: the firing of 18,912 public employees, the raising of the retirement age, and the privatizing of several state-run companies.

"Even though the World Bank has made this recommendation—I always like to tell the truth—I have never accepted, nor are we ever going to accept it. We are going

to negotiate with the financial institutions under terms acceptable for the Republic of Panama," Ford said.

Ford noted that in the 1990 budget, a format was implemented to avoid firing public employees. This format consists of paying new government employees 10 percent less, resulting in a 6 percent savings on the government payroll.

Meanwhile, Ford said that the possibility of creating a bonus for public employees is being studied, but "I am sorry to reiterate that we cannot pay the 13th month bonus."

However, the Christian Democratic Party [PDC] accused the mid-level Arnulfist authorities of launching a "vendetta" against the Christian Democrat activists, and warned that all the Christian Democrat government workers who have been fired will have the party's support for staging peaceful protests intended to get their jobs reinstated.

Yesterday, over 70 workers of the General Directorate for Community Development (Digedecom)—a majority of PDC activists—were fired, upon instructions of the Hector Penalba, the Arnulfist Party's director and secretary general, according to a PDC communique.

PDC Secretary General Ivan Romero labeled the dismissals "political persecution" by mid-level Arnulfist authorities engaged in a vendetta against green star members.

Romero added: "Despite Penalba's promises of respect, almost all the workers appointed under Gabriel Cedeno's PDC administration were dismissed, many of whom are Civic Crusade members who fought against Noreiga."

Romero also said that in La Chorrera Municipality, Christian Democrats were dismissed, while in the Housing Ministry, the deputy minister—an Arnulfist—tried to do the same, but he was stopped by Housing Minister Guillermo Quijano of Molirena [National Liberal Republican Movement]. According to Romero, Quijano opposed the measure and ordered all the letters of resignation, which the Christian Democrats were going to be forced to sign to get their paychecks, destroyed.

However, President Endara rejected the PDC leaders' accusations that he supports the dismissal of PDC sympathizers from government jobs, and explained that these are a result of "the massive resignations of their people, which we are accepting."

Endara added that he has even asked PDC officials to remain in their posts a few more days, "but not to argue that they have been fired when resignations were handed in."

After a debate of approximately two hours, the members of the Legislative Assembly's Budget Commission decided, during their meeting yesterday, to accept the draft bills presented by Legislators Arturo Vallarino, Molirena, and Raul Ossa, Christian Democrats, whereby the payment of the 13th month bonus to public workers is requested to be immediately reinstated.

Milton Henriquez, president of the commission, said that the draft bills were consolidated into one bill, which yesterday was returned to the plenum as a commission's bill. He said that the first debate is expected to take place on 24 April at 1400.

He noted that in that regard, Comptroller General Ruben Dario Carles, Finance Minister Mario Galindo, and Planning Minister Guillermo Ford have been summoned to hear the arguments that will determine the final approval or rejection of the two bills.

Meanwhile, when asked about the possibility that public employees could receive a bonus instead of the 13th month payment, First Vice President Ricardo Arias Calderon said that the Assembly does not have the authority to introduce a draft bill to create a Bonus Law; however, it does have the authority to abrogate the war decree that suspended the 13th Month Law.

Arias Calderon Criticizes Government Policy

PA2504041291 Panama City LA PRENSA in Spanish 24 Apr 91 p 24A

[Report by Zoila Rodriguez Jovane]

[Text] Ricardo Arias Calderon, president of the Christian Democratic Party [PDC], has criticized the "delays" and "hesitations" of Guillermo Ford, the minister for planning and economic policy, who has masterminded extremely drastic changes which are out of step with the agreed upon development and economic guidelines, changes that jeopardize the commitment to democracy.

During an event with which the Christian Democratic Businessmen [Empredec] honored the PDC president, Arias Calderon held Guillermo Endara, the Arnulfista Party president, and his advisers responsible for having violated the alliance and betraying the political and moral commitment made in the 7 May elections.

Arias Calderon blamed the current members of the executive for ending the civic government, opening the door of government circles to followers of the dictatorship, weakening the democracy, and fouling up the socioeconomic projects.

Arias Calderon asserted that Endara and his advisers have been moved by "the desire for bureaucratic positions" and the need to resolve interparty disputes, excluding independent candidates from the goverment roster in favor of relatives.

The PDC leader said that the people feel disappointed by the absence of leadership in a "weak president," who does not have modern, social foresight and who is always surrounded by "crooked and not very honest advisers."

Arias Calderon stressed that general unrest exists due to the actions of Comptroller General Ruben D. Carles,

whom Arias Calderon accused of making decisions disregarding the Legislative Assembly rulings and the budget in order to impose policies "insensitive" to the Panamanian people's most pressing needs.

He said that, far from complying with the commitment to clear the way for the producers, businessmen, and entrepreneurs, the national economic policy has been marked by "verbal explosions," as if the topic were the exclusive privilege of one minister rather than the valid concern of everyone, both in and out of government.

Arias Calderon, who is also the first vice president, said that the recent debate on the plan to restore the payment of the 13th month bonus to public employees has revealed contradictions that cast doubt on the "honest" handling of the public finances.

LA PRENSA Owner Blames PDC for Problems

PA2504021391 Panama City LA PRENSA in Spanish 20 Apr 91 p 1A

[By Nubia Aparicio S.]

[Text] Roberto Eisenmann, president of La Prensa S.A. Corporation, today held the Christian Democratic Party [PDC] responsible for the crisis that produced the break in the government alliance and cautioned that politicians are putting democracy in danger and could turn it into "a victory for incompetence."

Eisenmann, who like PDC Vice President Guillermo Cochez, discussed "The Future of Democracy in Panama" issue during the 25th Annual Conference of Business Executives, said that "although all of us are responsible for what has happened, the main offender is the PDC."

He said that he had placed his hopes on Ricardo Arias Calderon, a purposeful man who has all the tools he needs to be a good government leader, but Arias Calderon did not know how to manage the situation and the PDC, knowing that the Arnulfistas have a coup psychosis because they have been overthrown on three different occasions already, did things that made the Arnulfistas believe that a coup was looming.

Eisenmann said that as he sees it, the PDC committed three fundamental errors. The first was to deny Guillermo Endara a few little posts for his people, despite the fact that it had been the PDC which had organized Endara's party.

The second big PDC error, according to Eisenmann, was the Legislative Assembly's bitter proceedings against Endara as the PDC implemented its traditional, "irritating policy, which is not a product of my imagination," but something to which the PDC itself has referred.

Eisenmann said that Ricardo Arias Calderon and the PDC cannot conceive of the idea of a coup d'etat because they are firm democrats, but the Arnulfistas do not see it that way and for good reasons. The idea of playing with that kind of matter when facing a president of the Arnulfista Party was not good political judgment.

According to Eisenmann, the last big PDC error was the cretion of an "espionage office." He said: For God's sake! We, the people who are here, tremble just hearing the expression: espionage office. How can something like that be created behind the president's back? By doing that, the PDC spoiled its relationship with President Endara. They spoiled it, Eisenmann stated.

Key to the Future Rests on Composure

Referring to the future of democracy, Eisenmann said that the key is the government's composure—what our national anthem refers to as harmony—in the effectiveness, clarity, dedication, and national vigor.

Eisenmann, who analyzed the short period of democracy in Panama, first referred to what is good, "which is a lot," and later mentioned the things that are wrong.

Eisenmann indicated that one of his greatest concerns is the ineffectiveness of the government. He pointed out that Panama has experienced three historical periods during which, as a result of traumas, it has thought as one...three moments in which we were just one: The white, blacks, Indians, rich, middle class, poor, entrepreneurs, workers, and the students; we all took to the streets and acted as one nation.

These three occasions were the 1903 independence, the 1964 trauma that forever changed our relations with the United States, and the struggle against the military dictatorship.

Eisenmann stated that politicians who are governing the country today emerged from the last historical moment, in which the country became one, was willing to make sacrifices, and was filled with hope and principles of freedom and justice.

Politicians Returned to the Past

Eisenmann added: "Unfortunately, the politicians did not rise to the occasion...and they lost the opportunity."

Eisenmann said that "instead of presenting us with a promising social project, a great perspective; they made a jump to the past and, as though the 21 years of dictatorship had not existed, they returned to 1967 and engaged in petty politicking, squabbling over petty public positions and the party spaces [espacios partidarios], as well as intolerance toward those of us who are not members of the party."

Eisenmann warned that what has happened is shameful. "Panamanians will not forgive" this historical mistake, which places greater importance on insignificant and unimportant issues, he added.

Continuing with what is wrong in the short term, Eisenmann referred to justice. "We must be clear," he said, "justice has not been served."

He added that most Panamanians will not approve of the administration of justice, as long as we do not have an attorney general with a crystal-clear record. He stated that justice will not be served as long as 500 military officers of the former Panama Defense Forces remain in the service of the authorities; justice will not be served as long as attorneys leftover from the time of Noriega remain in office; justice will not be served as long as the jails continue to be Dantesque hells; and justice will not be served as long as criminals are not brought to trial.

"The people, in their wisdom, have spoken...their cry of struggle was justice! and if there is no political will to guarantee it, this government, but not democracy, would have failed," Eisenmann concluded.

Cochez: Clouds Forecast Uncertainty

Meanwhile, Christian Democrat Guillermo Cochez, who spoke before Eisenmann, said that the recent developments "shed clouds on the Panamanian democracy and foreshadowing uncertainty over its future."

Cochez said that after the 8 April events (break in the government alliance), it will be more difficult to implement government projects, only with the support of minority parties that currently support President Endara.

Cochez stated that Comptroller General Ruben Dario Carles' argument prevailed on 8 April. He added that Carles had inadvertently asked that Christian Democrats be removed from power in order to resolve the government differences that had been promoted by Carles himself.

Cochez noted that democracy can also be build from the opposition, he added that this will continue to be the PDC's primary objective.

Cochez, vice president of the PDC, urged the Panamanian people to confront the current sociopolitical dilemma with great responsibility, prudence, and dignity.

Cochez expressed hope that the PDC will oversee that this somber reality, which is caused by the continued lack of presidential vision, does not materialize, because we must be aware that the Panamanians desire to live in a pluralistic and participative democracy.

Cochez concluded: "I hope that all Panamanians join efforts in preventing a small group of manipulative politicians from taking us to a situation worst than on 20 December, 1989."

U.S. Armed Forces Labor Union Issues Demands

PA2104230291 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Apr 91 pp 1A, 2A

["List of demands" of the Local 907; dated 15 Apr—place of issuance not given]

[Text] 15 April 1991

List of Demands—Local 907

1. The Government of Panama must immediately cease its talks with the U.S. Government to provide the correct interpretation of the Torrijos-Carter Treaties and adopt measures to postpone the effects that the reduction of the workforce has on the workers on military bases.

2. The Government of Panama must seek mechanisms to rehire in the Panama Canal Commission, on a priority basis, employees who were displaced from the Department of Defense, and it must guarantee the same working conditions.

3. Given the lack of economic resources, the high unemployment rate, and the unstable political-economic situation, which has tended to worsen rather than improve, we ask the Government of Panama to maintain our stable work source, and to create a ministry of canal affairs to centralize everything related to implementation of the Torrijos-Carter Treaties and the subsequent administration of the Panama Canal.

4. We insist that all labor achievements attained through negotiations with the U.S. Government must be respected, and that a positive decision must be adopted to hold talks with labor organizations that include the country's active forces, with the intention of establishing effective communications to discuss and resolve the critical labor problem being withstood by all the Panamanian people.

5. We consider it necessary to respect the payment of the contract workers' minimum salary, $2.90 per hour, in the canal area, and the payment of labor benefits (social security and income tax).

6. Given the need to respect and duly implement all the labor achievements attained in the Labor Code, and to comprise a tripartite commission (government, management, and workers) to review all the labor laws that have, in one way or another, modified the Panamanian labor legislation. [paragraph as published]

7. We insist on the immediate return of public sector workers who were unfairly dismissed by the new government, and the return of the workers in the OMVEPAC [Canal Area Road, Building, and Bridge Maintenance Office], an organization created to provide maintenance in the canal area's red and pink zones. This organization receives $10 million from the U.S. Government every year for its operations.

8. The Government of Panama must immediately adopt measures to create new job sources as soon as possible for all unemployed Panamanians, with equity and social justice.

9. We demand fulfillment of the promises made to the Chorrillo homeless on the Pacific side, and the homeless of Coco Solo and Cold Storage on the Atlantic side.

10. The Local 907 leadership hereby places itself at the disposal of our government and offers all its cooperation

and necessary efforts, to allow preparation of a master plan that is capable of seriously offering quick and everlasting solutions to benefit the suffering Panamanian people.
Arturo Thomas
Defense Secretary
Local 907
Ray Bishop
Secretary General
Local 907

Magistrate Marchosky Claims Treaties Violated

PA2404183491 Panama City EL PANAMA AMERICA in Spanish 17 Apr 91 p 2A

[Report by Juan Pritsiolas]

[Text] Eusebio Marchosky, magistrate of the Directorate for the Recovery of State Property (DRP), has said that the U.S. Army and the Panamanian Public Force [FP] committed "violations" of the canal treaties by permitting the "incorrect use" of reverted houses that were to be assigned to Panamanian officials serving on the Combined Board.

According to Marchosky, a security office for Panamanian political espionage operated from these houses located in Quarry Heights.

Former National Police Director Ebrahim Asvat has reported that these houses were used as a center to gather information to fight crime, and that through these activities several plots against the government were discovered.

Marchosky said that he had "difficulties" with U.S. authorities while trying to investigate the activities carried out from these facilities.

According to Marchosky, the functions of the Combined Board were assigned to the Treaty Affairs Executive Directorate (DEPAT), and therefore the use of the houses in Quarry Heights by the FP was illegal.

He added that these houses were improperly delivered to the FP with the "acquiescence" of some U.S. authorities.

Argentina

Government Asked To Continue Condor Project

PY2504011691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 24 Apr 91

[Text] Buenos Aires, 24 Apr (NA)—The bloc of Radical Civic Union (UCR) national deputies has asked the government to continue developing the Condor-2 and to "reject foreign pressures to dismantle it." This decision was announced at a news conference held by Cordoba Deputy Conrado Storani, Jr., UCR bloc leader Cesar Jaroslavsky, and other opposition legislators, including Simon Lazara (Unified Socialism).

Storani summarized the history of the Condor-2 project, saying that "for some years our country has been developing missile technology, which has aided our access to high technology and has given us the possibility of manufacturing our own rocket to place satellites into orbit for peaceful purposes and of joining a market that until now has been reserved for very few."

Storani said charges against the country over the eventual military use of the missile are senseless, adding that "fifteen Third World countries are working on the project."

Storani added: "It is not fair to link the project with Iraq because Iraq had plenty of war materiel supplied by the same countries which would later condemn it at the United Nations for invading Kuwait."

Storani said the Argentine Government "has given in to pressure" and that "the UCR condemns national policies on the issue and urges the government to continue the project, which has cost the country so much human and material resources."

Condor in 'National Interest'

PY2504024091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2235 GMT 24 Apr 91

[Text] Buenos Aires, 24 Apr (NA)—Senator Ricardo Lafferriere of the Radical Civic Union [UCR] today proposed that the Condor-2 project be declared "in the national interest" and that development be continued under "strategic congressional control."

Lafferriere said in a draft resolution that "the decision to discontinue the project is not right, much less so if it means destroying the studies, research, and prototypes produced in developing it." The government has announced that the Condor-2 has been deactivated.

The Entre Rios legislator said that the Defense, Science and Technology, and Communications Committees from each chamber of Congress "must be the forums for debate on a project that is extremely important for the nation."

Lafferriere said: "The Condor project has become a product of advanced technology for peaceful purposes linked to the development of satellites and computer sciences."

Lafferriere criticized U.S. Government pressure to dismantle the project even though he admitted that "mistrust of Argentina derives from past irresponsible attitudes. We must, however, stress to the world that we introduced democratic changes in 1983."

Bolivia

President Convenes Special Session of Congress

PY2404125891 La Paz Television Boliviana Network in Spanish 0200 GMT 24 Apr 91

[Text] President Paz Zamora has signed Decree 22780 convening the honorable Congress to special sessions beginning on 7 May.

Three points are included in the agenda: the trial of some Supreme Court justices, the reform of the electoral law, and international agreements. Minister of the Presidency Gustavo Fernandez now gives us the details:

[Begin Fernandez recording] The president, exercising his prerogatives, has instructed Congress to meet to consider the following issues: first, the trial of eight Supreme Court justices in strict accordance with the law; second, the appropriate and timely amendment of the electoral system so that it can be implemented before the upcoming elections at the end of the year; and third, the consideration of some international financial agreements, the terms of which might expire if Congress does not approve them. The president will call Congress to another special session at the end of June to discuss the law that regulates the governments of the departments. [end recording]

Vice President Assesses Visit to Spain, USSR

PY2404155691 La Paz Television Boliviana Network in Spanish 0200 GMT 24 Apr 91

[Excerpt] [passage omitted] Vice President Luis Ossio has assessed his tour of Europe.

[Begin Ossio recording] During my visit to Spain I participated in a Bolivian cultural week that was a great success in Madrid. I also attended a Latin American cultural week in Barcelona and a meeting of the Expo 92 in Sevilla. The activities in Madrid have helped to promote Bolivia with great support from cultural circles and sectors of local residents. The Spanish Government, in turn, reaffirmed its decision to provide constant support to President Paz Zamora's administration. Spanish Foreign Minister Fernandez Ordonez will visit Bolivia in May. This will be an extremely important visit because it will confirm the continuation of Spanish cooperation with Bolivia. In Barcelona I received

working documents especially on interviews with President Paz Zamora. These documents were used in an important forum that was attended by former Latin American presidents and several Spanish officials. In the Soviet Union, the Bolivian congressional delegation that I headed held several meetings with the Supreme Soviet. The Soviet and Bolivian Governments agreed to sign important accords during the visit that President Paz Zamora will make to the USSR in response to a special invitation. I also conveyed to the president the special greeting sent to him by President Gorbachev from Japan through acting President Yanayev, and of other Soviet officials who greatly praise the Bolivian people's effort to solve their problems under democracy. [end recording]

Brazil

Para State Governor Protests Royal Seminar Plans

PY2404232091 Madrid EFE in English 1944 GMT 24 Apr 91

[Text] Brasilia, April 24 (EFE)—A Brazilian governor Wednesday [24 April] cancelled meetings with Britain's Prince Charles and Princess Diana in protest at the news that residents of the Amazon had not been invited to a seminar on the region to be co-hosted this week by the British heir and Brazilian President Collor de Mello.

The governor of the Amazon state of Para, Jader Barbalho, was angry at not being invited to the two-day seminar aboard the royal yacht Britannia which, during the meeting, is due to sail up the Amazon river past Para's state capital, the port of Belem.

Ecologists and scientists Wednesday joined Barbalho's protests at being excluded from the meeting, which will discuss the future ecological development of the region and the Amazon environment.

Barbalho boycotted a lunch Tuesday on board the yacht hosted by the ship's captain when the royal couple visited Belem. He also cancelled other meetings with British government officials accompanying the prince and princess.

The seminar, which begins Friday, is due to be attended by Inter-American Development Bank president Enrique Iglesias, high-ranking Brazilian and British government officials, and captains of industry.

The Prince and Princess of Wales on Wednesday visited Sao Paulo and Rio de Janeiro on the third day of their official tour. The royal couple are to return to Britain on Saturday.

* Collor's Current Leadership Style Assessed

91SM0268A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Mar 91 p 7

[Article by Luciano Suassuna: "Collor Put His Stamp on His First Year"]

[Excerpts] Brasilia—A year after he mounted the ramp of the Planalto Palace with long, swift strides, President Fernando Collor has kept one of his most widely publicized campaign promises—to leave the left wing perplexed and the right wing indignant. On the one hand, the largest recession in the history of the country (a decline of 4.6 percent in the gross domestic product) has left more than a million individuals unemployed. And on the other, two economic shocks in less than a year—the sequestration of about $100 billion from investors and those with private savings, and the freezing of prices—has undermined the prestige of the president in business sectors.

With the first year ended, many government sectors are no longer keeping up with Collor's hasty strides. "We are avoiding hyperinflation, recovering the tools of fiscal and monetary policy, defining a program for opening Brazil up to foreign competition, and changing the tone of the political and economic debate in the country," Secretary of Economic Policy Antonio Kandir says. "These points represent great progress."

For anyone examining the current government in terms of the previous one, as Kandir is doing, an evaluation of the first year reveals clearly positive indications. Inflation at more than 1,000 percent per year has been reduced to 460 percent per year, for example. With the dismissal of 112,000 government employees and the placement of another 55,000 on availability status, together with the sale of official mansions and vehicles and the reduction of expenditures on personnel, have reduced the size of the state.

Viewed from the campaign platform, however, the government still appears to be a long way from the goals it set for itself. It is the belief of Minister of Agriculture Antonio Cabrera that the agrarian reform program is mired in bureaucratic difficulties.

Minister of Health Alceni Guerra's promise to put an end to the long lines at the INAMPS [National Institute for Social Security Medical Assistance] continues to be only that—a promise, although he has kept another—his promise to guarantee multiple vaccinations for more than 90 percent of Brazil's children. And the goal of reducing monthly inflation to about 3 percent was achieved in the first 30 days after the economic shock.

Independent of the chaos which was avoided, or the New Brazil which has not as yet overcome the shortcomings of the old Brazil, President Fernando Collor has imposed on his administration an absolutely personal style of governing. This is a style which presumes a rigorous system of accounting from the ministers, a determination to decide today what could be put off until tomorrow, and ensuring the prevalence of ideas over individuals, as the government believes it is doing in connection with the charges made against Governor Tasso Jereissati.

"Today, the government is governing," the president said in his anniversary address. Good intentions, the

presidential ramp, and a shirtsleeves approach do not suffice for managing the country, but they indicate the path which the president wants to tread. Nothing marked the first year of his administration more clearly than Collor's style of governing Brazil. [passage omitted]

Speed and Decision

On the first Friday of March last year, after informing President Jose Sarney that he would leave his post three days earlier than planned, Federal District Governor Joaquim Roriz went to Bolo de Noiva, where he had the following exchange with president-elect Fernando Collor.

"I am at your disposal as a future candidate for the post of governor of the Federal District."

"Governor, you are destined for much more than the Federal District. Instead of concerning yourself with the election, it would be better for you to join my team. I want you to be my minister of agriculture."

"I am not prepared for that post. The city wants me to be a candidate, and I have made commitments to many people."

Collor insisted on his proposal, but the governor argued that he would have to talk with his wife. Then, requesting time in which to respond to the invitation, he asked:

"How much time do I have, Mr. President?"

"Until 1600, because I am leaving the city today."

"At 1500, after having telephoned President Sarney, who was on board a naval vessel in Rio de Janeiro, Roriz accepted the invitation to serve as minister of agriculture. He agreed with Sarney's advice. "Governor, I believe that this is important for your future."

That is the Collor style. Unlike his predecessor, the current president likes to make decisions, and he does so as speedily as possible. In the case of the appointment of Roriz, this haste created a problem in the end, and the minister remained in his post for only 15 days. [passage omitted]

Collor's Decision-Making Style

The Collor style of governing has three principal supports: immediate decisions, as in the cases involving Roriz and Cabrera, an orientation based on research, and a rigorous system of demanding an accounting from the ministers. Even when the romance between Minister Zelia Cardoso de Mello and Minister Bernardo Cabral erupted, Collor only made his final decision after receiving the results of public opinion polls which two different institutes were asked to take.

In demanding his accountings, the president makes use of two methods, which have already become routine for the ministries. The first and most direct involves asking constantly when projects or actions proposed by a minister will be ready. On receiving a response, Collor marks the matter on his personal calendar. "He never forgets an item," according to Minister of Infrastructure Ozires Silva. "Nothing in his little notebook is overlooked," Minister of Health Alceni Guerra says, for his part.

His other method of demanding an accounting is based on the reports carried in the newspapers or on television. Every day, runners from the Presidency of the Republic arrive at the ministries with envelopes containing newspaper cuttings. A memorandum invariably accompanies each report. When the subject is an accusation, the president's note says: "Mr. Minister, look into this carefully."

* Postwar Climate Favors Arms Industry

91SM0268B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Mar 91 p 16

[Article by Roberto Godoy]

[Text] The fact that the international military equipment market is heating up again—the direct result of the prospect of new regional conflicts created by the war in the Gulf—will favor business recovery for the Brazilian war materiel and aerospace industries. At least 10 products in this sector's inventory meet the requirements of the new profile for defense systems defined by this conflict. The demand now will be tilted toward high-speed armored vehicles, precision artillery, and electronic vectors of various types. "A significant amount still remains to be achieved in the realm of modernization and upgrading power," Willy Kaufmman, president of the Otrag Group and a German expert on the arms trade, says.

The domestic war materiel industry is in the throes of a serious crisis characterized by the composition status of the two largest private firms in this sector—Engesa [Specialized Engineers, Inc.] and Avibras [Avibras Aerospace Industry, Inc.]. Each of them is managing a debt of about $200 million. At Avibras, President Joao Verdi de Carvalho Leite managed to export, in September and October of 1990, about 10,000 ground-to-ground rockets to supply the Astros-2 launchers in Saudi Arabia. This operation, involving $70 million, made it possible to pay the first $40-million segment of the consolidated debt, to keep the financial commitment to labor, and to prepare for a return to the market.

At Engesa, the federal government is continuing to support negotiations seeking association with foreign groups (there are proposals from groups in England, France, and Germany) or the capitalization of debts owed to creditors. Given either of these hypotheses, a return to the process of production and sale is regarded as fundamental.

"The resurgence of this segment of the country's economy will bring to light trim, flexible companies operating in diversified fashion," an experienced sales agent in the sector said in his analysis. He says that the trade policy will call for maintaining a larger number of clients while also pursuing smaller, isolated transactions.

In the opinion of this expert, competitive items capable of bringing in modern technological concepts suited in scope to the potential of the Third World countries will be essential in order to meet the needs of the postwar armed forces.

In the short run, 10 domestic products may gain entry into the international catalogs. They are the Astros-2 multiple-multicaliber saturation rocket launcher, produced by Avibras; the Embraer [Brazilian Aeronautics Company] AMX fighter-bomber; the Tucano turboprop; the Engesa Sucuri EE-18 armored tank-pursuit vehicle; the highly mobile Ogum EE-4 armored vehicle, produced by Engesa; the Engesa Urutu EE-11 armored troop-transport vehicle; the Engesa Cascavel EE-9 armed armored vehicle; the light all-purpose MAC-MP missile, manufactured by Avibras; the LeLeo light antitank missile, produced by Space Orbit; and the modernization kits developed by Bernardini and Motopecas for military vehicles of various types.

A large part of this equipment has already been tested in battle, and just recently, without a doubt. The Cascavel and the Urutu, widely used by the Iraqi forces, played a role in the invasion of Kuwait. The English analyst Daniel Plesch, director of the British-American Security Intelligence Council, has said that "during the war, the Brazilian Urutu armored troop transport was more reliable than the fragile U.S. Bradleys."

Along these lines, the revolutionary Sucuri EE-18, with its powerful 105 mm gun capable of firing supersonic ammunition, yet light enough to be moved at 115 km per hour, with 18 tons of armor, appears to be an attractive option for heavy-tank attacks.

* Union Leaders Project Wave of Strikes

91SM0268C Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 24 Mar 91 p 3

[Article by Marco Damiani]

[Text] Two ideas link the various political factions in the trade-union movement in Sao Paulo today. The first is the realization that the Collor Plan 2 has led to a decline in wages of almost 70 percent. According to the other, this decline will lead to a stormy season of strikes in this half of the year.

"Our plan to call a major strike now is only awaiting the decision by the Sao Paulo State Federation of Industries (Fiesp)," Vicente Paulo da Silva, the president of the Iron and Steelworkers' Union in Sao Bernardo do Campo and Diadema, the body which directs the wage campaign of almost 140,000 workers, says. Using the 1 April base date (see table below), the iron and steelworkers believe they are entitled to an increase of 202 percent. This percentage suggests that the Fiesp will have to be generous if it is to avoid yet another shutdown on the automobile assembly lines in Sao Bernardo and Diadema.

Situated in a political sector which is different from that of Vicentinho, who hass influence over the United Federation of Workers (CUT) and the Workers' Party (PT), the president of the Osasco Iron and Steelworkers' Union, Claudio Camargo Cre, agrees that the difference between the cost of living and the income of the workers will lead many groups to halt heir work. "We are going to have one strike after another, there is no doubt about that," this trade-union leader, one of those who worked hardest on establishing the central Trade Union Force organization, is certain.

Even those who do not belong to either the CUT or the Force, as the new central union is known to the activists, make a similar assessment. "This wage freeze effected by the Collor Plan 2 was insanity, madness," emphasizes the president of the Federation of Workers in the Rubber Goods Industries, Geraldo Santana, who classifies himself as a "neutral." "The wage-increase calculations are extremely complicated, and the losses in our sector approach 90 percent, whereas we have proposed increases of 10 percent." There are 65,000 rubber workers in the state, and their strike power is to be found in the industrial establishments which manufacture tires.

Not even the unemployment level—there were 293,900 unemployed workers in industry in Sao Paulo in January and February—a number higher than all of the dismissals in the first half of last year—led the union members to imagine that there would be few strikes now. The officers of the Sao Paulo Iron and Steelworkers' Union, which has 400,000 workers in a little over 12,000 plants, had already defined the holding of strikes wherever firings were threatened as a strategy. "It is necessary to repeat in 1991 what we did in 1981," Luiz Antonio de Medeiros, the president of that body and of the Trade Union Force, said in the analysis he described to his officers. "It will be strikes against the cliques."

Mass Workers' Demands

By July, about 1.5 million workers in Sao Paulo will be demanding wage increases. This is the most favorable season for strikes in their labor sectors, because the possibility of wage increases and various additional social benefits will be at stake. This does not mean, however, that the shutdowns planned by the trade-union members will occur in these sectors precisely.

In trade-union circles, no one believes a strike will be ordered by the Trade Workers' Union, for example, whose territorial base includes 700,000 employees, or by the Civil Construction Employees' Union, which is responsible for concluding collective-bargaining agreements on behalf of 260,000 laborers. With their lack of a strike tradition, these bodies would not know how to organize their base levels for a strike, even if they wanted to.

What is expected is strikes in sectors or at labor sites where there is experience in the strike process. "At a factory which has large stocks and little production, it is not wise to strike," Paulo Pereira da Silva, first secretary of the Sao Paulo Iron and Steelworkers' Union, teaches.

noting that strikes under these circumstances lead to dismissals. The opposite situation—that is, surprise strikes at factories operating at full capacity, usually results in wage increases.

Joao Guilherme Vargas Neto, an adviser who has influence with a number of unions, cites recent examples of strikes in protest against dismissals which, he says, tend to repeat. "The dockworkers in Santos blocked 5,000 dismissals at the beginning of the year, with a strike which was supported by great political organization," Vargas Neto recalls, referring to the movement which culminated in a general strike in the city in February. The strike did not end until the suspension of the dismissals on the wharves was announced. "Other trade unions are pursuing this path today, in order to put an end to the crisis."

The Principal Campaigns

(Schedule of Increases by Category)

Base Date	Sector	Number of Workers
1 April	Iron and Steel (ABC* and interior)	300,000
	Urban Sanitation (SABESP, CETESB**, and Santos)	30,000
	Food (meats, cold cuts, soft drinks)	30,000
1 May	Civil Construction	260,000
	Urban Transportation (capital)	20,000
	Rubber Goods (capital and interior)	65,000
	Rural (cane cutters)	140,000
1 June	Rural (orange pickers)	60,000
1 July	Trade (capital)	700,000
	Dockworkers (Santos Lowlands)	20,000

*Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul industrial areas.

**State Basic Sanitation Engineering Company.

Chile

Diplomatic Relations With Tehran Restored

PY2404183091 Santiago Radio Chilena Network in Spanish 1700 GMT 23 Apr 91

[Text] The Chilean and Iranian Governments today agreed to restore the diplomatic relations that were severed on 16 August 1980. The talks aimed at restoring diplomatic relations began during 1990 at the request of Tehran authorities.

The ceremony was held at the Iranian Embassy in France, in the presence of Chilean and Iranian representatives accredited in Paris, who signed the appropriate documents.

Chile and Iran first established diplomatic relations in 1942. The designation of the first Iranian ambassador to Chile was also approved in that year. From 1961 to 1980 Iran maintained a concurrent ambassador to Chile, while the Chilean Government had a permanent diplomatic mission in Iran from 1974 until 1980.

On 16 August 1980 the Iranian fundamentalist government broke relations with General Pinochet's administration. Chile and Iran are founder members of the United Nations.

U.S. 'Protectionist' Practice Protested at GATT

PY2504014091 Madrid EFE in Spanish 1816 GMT 24 Apr 91

[Text] Geneva, 24 Apr (EFE)—Chile today protested U.S. inspections of Chilean kiwi fruit at a GATT meeting in Geneva because the procedure adds costs to the product, making it less competitive.

Chilean representative Mario Artaza Rouxel said the Chilean kiwi fruit is subjected at the U.S. point of entry to "a very costly inspection" in comparison to other products from Chile or other countries.

Artaza reiterated his country's offer to pay for the inspections at the packaging site instead of breaking open the parcels at U.S. ports, as this procedure adds further cost to the product. But the United States has turned down the proposal in the past, Artaza said.

Artaza said his country's product is at a disadvantage in comparison to U.S. products because the latter are inspected at the point of origin. Artaza said the practice is clearly protectionist and against the GATT.

A U.S. delegation spokesman said he does not believe there are any adverse effects to the practice, stressing that the United States will not put hurdles in the way of trade with Chile or other countries. The spokesman then invited the Chilean representative to discuss the problem and work together to solve it.

Envoy Departs for Americas Initiative Conference

PY2304033291 Santiago Radio Cooperativa Network in Spanish 2300 GMT 22 Apr 91

[Carmen Castro report]

[Excerpts] The Americas Initiative involves overall political and economic relations between the United States and the American nations, Chilean Ambassador Augusto Bermudez said before departing for Venezuela to participate in the Latin American Economic System [SELA] conference that will discuss the Americas Initiative. Representatives from 14 international organizations and 26 SELA signatory members, as well as representatives of the foreign ministries of these nations will participate in this conference.

The Caracas conference will discuss a document of proposals and studies submitted by SELA member countries. According to Bermudez, it is not a question of carrying out joint negotiations because the situations in these countries are extremely different. The economies, drug trafficking systems, and geographies are different.

The initiative, he said, deals in part with the debt, investment, the environment, and commerce. Bermudez recalled that Chile has already signed an investment and commerce agreement with the United States creating a more fluid environment for trade relations between the two countries. The creation of a free trade zone, however, is difficult before a statement by the U.S. Congress, Bermudez said, referring to the Bush initiative. [passage omitted]

One of the aspects of the initiative is that it proposes a dialogue, a dialogue that has not yet been held but which is necessary, he said. [passage omitted]

Prisoners Involved in Pinochet Attack Paroled

PY2404153091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 24 Apr 91

[Text] Special Judge Humberto Villavicencio has paroled Manuel Ubilla, Nurse Patricia Herrera, Dr. (Pedro Barini), and Dr. Alejandro Aravena and his wife China Cerda. They were charged with having participated in attack against presidential entourage in Cajon del Maipo on 7 September 1986.

The judge refused to parole (Vasili Carrillo Nova), who was charged with supplying the weapons used to perpetrate the attack; (Rodrigo Saakervie), who was charged with complicity; (Juan Ordenes); Hector Figueroa, who was charged with having perpetrated the attack; and Osvaldo Quesada and Marcial Moraga who were charged with supplying weapons.

The Appellate Court authorized the release of the five prisoners on bail of 50,000 pesos.

Terrorists Try To Bomb Senator Urenda's Home

PY2404162491 Madrid EFE in English 1247 GMT 24 Apr 91

[Text] Santiago, April 24 (EFE)—A unidentified man was killed and his woman companion critically injured by a bomb they were apparently trying to plant in the home of a Chilean senator, police said Wednesday. The bomb went off in the resort town of Vina del Mar, 125 km northeast of Santiago, near the home of Beltran Urenda, the deputy chairman of the Chilean Senate.

Urenda, who ran for the Senate as an independent, joined the right-wing Independent Democratic Union (UDI) party after its leader Senator Jaime Guzman was shot dead by suspected leftist guerrillas on April 1. It was not known whether Urenda was in his home at the time of the bomb attempt.

MIR Calls on Autonomous Front To Give Up Arms

PY2504002091 Santiago LA TERCERA DE LA HORA in Spanish 17 Apr 91 p 8

[Excerpt] The Movement of the Revolutionary Left, MIR, has called on the Manuel Rodriguez "Autonomous" Front to lay down its arms and join the political arena.

The Autonomous Front is said to be responsible for the most recent terrorist attacks in the country, including the assassination of Senator Jaime Guzman.

MIR Political Commission member Patricio Rivas said the Autonomous group should follow the example of the original front, the Manuel Rodriguez "Patriotic" Front, which has reportedly asked to rejoin national political life. [passage omitted]

Colombia

Supreme Court Ruling on Pardons Examined

PA2504021691 Bogota EL TIEMPO in Spanish 18 Apr 91 pp 1A, 8A

[Text] The government has lost its exclusive power of pardoning the approximately 2,000 guerrillas who are willing to give up fighting and join the peace process.

The granting of pardons, the fundamental point in the agreement with the People's Liberation Army [EPL], was virtually left in the hands of judges as the result of a Supreme Court of Justice decision. The ruling—that went almost unnoticed when it was announced one week ago—declared unconstitutional a proviso included in Legislative Decree 213 of 1991 authorizing the Ministry of Justice to define, in specific instances, the difference between a political offense (rebellion, sedition, and disturbances) and a common crime.

According to the Court, this jurisdiction is exclusively in the hands of the judges and cannot be exercised by any other authority because the constitutional principle that establishes the independence of public branches would be violated.

According to Jaime Fajardo, the EPL (now defined as Movement for Hope, Peace, and Freedom) representative to the Assembly, the guerrillas accused of common crimes (they are estimated to be the majority) will have to go to court to try to obtain pardon after trials that might last "between two months and 15 years." Fajardo said that "the ruling, although it declared as constitutional the other paragraphs of the pardon decree, is unsurpassed in scope. In practice, it puts an end to summary pardon."

President Cesar Gaviria and Government Minister Humberto de la Calle Lombana agreed to meet with EPL leaders to study the situation and particularly the mechanisms to fill the gap created by the ruling.

Fajardo said he will propose that the Constituent Assembly assume the leadership in the peace process. He added that the alternatives to prevent this process from being delayed include the Assembly issuing a temporary proviso on the granting of pardons.

Fajardo said that Counselor for Peace Jesus Bejarano will also attend the meeting and that he, Fajardo, wants to invite the Court president, Pablo Julio Caceres, to illustrate the legal consequences of the ruling. "I spoke to the Court president and he told me he did not see the situation as alarming. He commented that the government can correct the problems with the decree by issuing other instructions," Fajardo remarked.

According to Court sources, the Supreme Court of Justice revised its previous stance of 12 July 1990, when it ruled on constitutional Law 77 that pardoned the 19 April Movement. Without further limitations, this law allowed the Ministry of Justice to terminate penal action against political offenders and accomplices connected to such offenses.

The abrogated legislation corresponds to Article 4 of Decree 213 of 1991, which is essential in the process conducted with the EPL, the Quintin Lame Armed Movement, and the Revolutionary Workers Party. This legislation allowed the Ministry of Justice to declare the connection between political offenses and common crimes and to grant pardons to the guerrillas who have already been tried and sentenced.

A magistrate, who asked to remain unnamed, said that the Court cannot permit the executive branch to connect political offenses with common crimes only to grant pardons for political or circumstantial reasons. Such action violates the Constitution.

"To quote an extreme example, such a decision would make it possible to find a connection between rebellion and bigamy," the magistrate said.

The magistrate explained that the issue of connection is not contemplated in the Constitution. "The Constitution only defines political crime but the Court, with its flexible criterion, has accepted the undeclared existence of this connection."

By passing judgment on the constitutionality of Decree 213, the Supreme Court of Justice changed its traditional jurisprudence to allow for pardon, which presupposes exoneration, to be granted by legislative decrees and not only by the Congress.

M-19 Democratic Alliance Region Leader Kidnapped

PA2404193891 Mexico City NOTIMEX in Spanish 1829 GMT 24 Apr 91

[Text] Bogota, 24 Apr (NOTIMEX)—Police reported here today that unidentified men kidnapped Gilberto Benavides, regional leader of the M-19 [19 April Movement] Democratic Alliance, as he was about to get on a bus in Puerto Tejada. According to the official report, several individuals held Benavides and forced him into a truck.

The political leader was kidnapped on 22 April, but his relatives did not report the incident to the authorities until today. Last week, Benavides was one of the promoters of a civic strike in Puerto Tejada, southwestern Colombia. Police repressed the strike and one person was killed while 30 were wounded. So far this year, the M-19, which joined civilian and political life in 1990, has reported the murders of five of its members and the disappearance of two others.

Chigorodo Mayor, Former Boyaca Mayor Killed

PA2404200491 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Apr 91

[Text] This morning another blow was dealt to peace in Uraba, Antioquia, when unidentified assassins murdered Chigorodo Mayor Afranio Vacca Caraballo. Authorities have blamed the Revolutionary Armed Forces of Colombia for the attack. One of the mayor's wounded bodyguards died a few moments ago.

[Begin recording of unidentified speaker] The murderers surprised the mayor of Chigorodo while he was traveling from his home to his office at the municipal building. The armed group shot at the mayor and his guards several times. Two guards were seriously wounded. The wounded were immediately transported to the hospital in Apartado, a town near Chigorodo. Afranio Vacca died en route, while his two escorts are in critical condition [as heard] at the hospital in Apartado.

The mayor had been threatened several times and therefore had a special escort, but this did not prevent him from being killed in the attack.

Meanwhile, former Boyaca mayor Alejandro Echandia was murdered in Alban, Cundinamarca, by unidentified persons who approached him in a restaurant. Fernando Montalbe, a friend of the victim, was also killed in the attack, and Andres Echandia, the former official's son, was seriously wounded. [end recording]

Rebels Implicated in Murders

PA2504043991 Hamburg DPA in Spanish 0059 GMT 25 Apr 91

[Text] Bogota, 24 April (DPA)—Colombian authorities confirmed today that Chigorodo Mayor Afranio Vaca and El Carmen Mayor Alirio Beltran were murdered by guerrilla groups. Vaca, member of the ruling Liberal Party, was gunned down on Monday, 22 April, by several gunmen who surprised him on his way to his office.

Official sources pointed out that the mayor of Chigorodo (450 km northeast of Bogota) was murdered by rebels of the Marxists Revolutionary Armed Forces of Colombia (FARC). On the other hand, Armed Forces' sources said

that Beltran, a member of the opposition Social Conservative Party who had been kidnapped on Monday by armed men, was murdered by the pro-Cuban guerrilla Army of National Liberation (ELN). The body of the public official was found yesterday in a rural area of El Carmen, 250 km north of Bogota.

*** Escobar War Against Paramilitary Leader Viewed**

91WD0610Z Bogota SEMANA in Spanish 2 Apr 91 pp 14, 15

[Text] The latest communique from "The Extraditables," which was issued last 19 March, left more than one Colombian surprised. And not exactly because it threatened to plant bombs containing 1,000 kg of dynamite in the country's major cities, or because it announced that Francisco Santos and Maruja Pachon would not be released, but because it publicly declared war on the paramilitary groups of the Magdalena Medio. The question that all Colombians asked was what had happened to the now legendary alliance between the drug traffickers and the paramilitary groups.

The term paramilitary was coined precisely to distinguish between these armed organizations, which were financed with drug-trafficking money, and the peasant self-defense groups that were operating legally until the end of the last administration, when a decree that had given them a legal footing was repealed. Many of the reasons for the Barco administration's decision to ban the self-defense groups were based on the fact that the drug traffickers had taken on the task of waging this struggle against the guerrillas and their sympathizers, and that throughout the country they had formed veritable private armies equipped with sophisticated weaponry and trained by foreign mercenaries. Authorities blame these groups for the murders of nearly 1,500 members of the Patriotic Union, as well as the bloodiest of the peasant massacres, especially those committed in Uraba, Cordoba, and the Magdalena Medio in recent years.

The names of Fidel Castano and Henry de Jesus Perez were closely associated with the military commands of what were considered to be the armies of the Medellin Cartel in the rural areas of the country. Their relationship was so close, in fact, that in one of their many communiques, "The Extraditables" even offered to mediate between the government and the paramilitary and hired assassin groups, as a contribution to the pacification of the country. What, then, brought about the demise of this "unholy" alliance?

Among the theories proposed are two that are repeated frequently. According to one, the confrontation took place when Henry Perez rejected a supposed alliance between Pablo Escobar and the National Liberation Army (ELN). A diehard anticommunist and antiguerrilla, Perez could not accept a pact of that nature, and as a result he reportedly parted company with the leader of the Medellin Cartel. One of the men closest to Henry Perez was the first person to tell a group of journalists that Diana Turbay had been kidnapped by "The Extraditables," at a time when everyone thought she was interviewing Father Perez. According to that man, the leader of the ELN planned and executed the kidnapping for the sole purpose of turning the valuable captive over to Escobar.

The other theory says that serious disagreements arose between the paramilitary leaders and Escobar when the latter adopted kidnapping in late 1989 as a means of financing his war. The paramilitary leaders reportedly opposed this method precisely because one of their objectives was to combat the kidnappings that the guerrillas engaged in, and some of their own members had been kidnapping victims. All indications are, however, that what really triggered the rupture was not a clash over new battle tactics, but Escobar's attempt to extort $1 million in protection money from several drug traffickers in the Magdalena Medio, especially Jairo Correa Alzate and Francisco Barbosa, the two promoters and financiers of the groups commanded by Perez.

The differences between the two groups widened, and because these were armed groups, these differences translated into violence and death. Officials say that the 14 February assault on a discotheque in La Dorada reportedly owned by Correa Alzate, which resulted in five deaths and several injuries, was nothing less than the incursion of the paid assassins of the Medellin Cartel into the territory of the paramilitary groups.

More recently, on Sunday 10 March, market day, there was a massacre right in the middle of the plaza in La Dorada. Twelve peasants were killed and several more were injured. This incident, say authorities, is just one more episode in the war Escobar is waging against the paramilitary groups.

But stories about a confrontation between the Medellin Cartel and Henry Perez' paramilitary organizations were mere insistent rumors until "The Extraditables" made it official. In the 19 March communique they claimed responsibility for the execution of what they called "the principal paramilitary leaders of Puerto Berrio and Caucasia." Although these murders have not been clearly identified by the authorities, the fact that the communique mentioned them left no doubt about the war against the armed groups of the Magdalena Medio.

At any rate, it does not matter what caused the war between the two groups; the fact is that the divorce between Escobar and the paramilitary groups really began with the death of Gonzalo Rodriguez Gacha, "El Mexicano." Rodriguez Gacha, who had run the cartel's military wing and freed Escobar of those responsibilities, was the link between the chief of the Medellin Cartel and the paramilitary organizations of the Magdalena Medio. With "El Mexicano" dead, Escobar no longer had any control over them. Perez, who was "El Mexicano's" de facto replacement, never trusted the cartel leader enough, and decided to make his own way. It was then

that Escobar began to lose the Magdalena Medio gradually as a strategically important area and a refuge from the offensive of the Armed Forces. Little by little, Escobar was forced to limit his range to the outlying areas of Medellin, and to depend almost exclusively on the organizations of hired assassins for his protection.

But since the groups of hired assassins, beginning with the most dangerous one, "Los Priscos," have been practically dismantled by the authorities, Escobar is said to be recruiting young men in the northeastern community in order to counteract his apparent defensive weakness. In Medellin it is said that there is a place there known as "the office," where in recent weeks boys have been signing up to be trained and taken to the region of Puerto Triunfo, near the hot spot of the clash with the paramilitary organizations. Many see this as further evidence of Escobar's new war.

Aside from the announcement by "The Extraditables" in their latest communique that they are in fact at war, another surprise was their accusation that there is an "alliance between the Elite Corps and the Administrative Department of Security (DAS) and the paramilitary groups, who are carrying out joint actions and mixing reserve troops in the regions where they operate." The director of the DAS, General Miguel Maza Marquez, expressed the most surprise at the accusations. He recalled that he himself had sounded the alarm about the paramilitary groups, their relationship to the drug traffickers, and the presence of foreign mercenaries in the country to train them, and that his assertion had been viewed with incredulity by many. Maza pointed out that "this confrontation between Pablo Escobar and Perez is very similar to the one between 'El Mexicano' and the emerald miners."

In other words, as he went from one fight to the next, he made enemies of the people who in the beginning had been his principal and most effective allies.

Regardless of Escobar's reasons for declaring war on Henry Perez and his people, the war is a fact. The leader of the Medellin Cartel, who has clashed with practically every sector of the country, picked a fight that may equal or surpass the ferocity of all the ones he has fought so far.

* Current Status of FARC Strength Discussed

91SM0280D Bogota EL TIEMPO in Spanish
31 Mar 91 p 8A

[Article by Maria del Rosario Arrazola]

[Text] This time it is no longer the 800 members of M-19 [19th of April Movement] or the 2,000 of the Popular Liberation Army (EPL).

It will be the approximately 7,000 armed men and women who belong to an organization of political origins that has obvious economic goals and clear terrorist strategies.

It is the Revolutionary Armed Forces of Colombia (FARC), the oldest insurgent group in the country. After a long history it has ended up taking the mystique out of the guerrilla struggle and becoming a terrorist organization with no solutions to offer a country in crisis.

In recent years it has made its destabilizing capacity known, persuading the government to modify its peace policy.

Who Are They Today?

The insurgent groups of 1991 are completely different from the profile they had 10 or 20 years ago.

EL TIEMPO thought it would be useful to present an X-ray of the FARC to give some idea of what it is today and what it represents, and to assess whether it really has a sincere desire for peace.

Documents were studied, researchers were interviewed, direct testimony was obtained from guerrillas, and government officials were asked their opinions.

At present, the combatants range in age from 16 to 24. They are men and women from poor families, with little education. Their parents were peasants or workers.

The possibility of playing a role in politics has no attraction for them, first of all because the impression they have of the process with M-19 is not the best, and secondly because they have not thought of leaving the countryside.

They are also influenced, in this regard, by the fact that the fronts, made up of about 200 guerrillas each, have a lot of money in Colombian pesos and in dollars. A plan for rehabilitating them by giving them 2 million pesos in credit, among other things, therefore has no appeal to the combatants.

The rehabilitation plan will have to deal with 7,000 guerrillas whose only skill, in most cases, is marksmanship. If an agreement with the government materializes, they will be without leaders, without clear guidance.

Thus, a pact with the FARC would involve only the commanders and not the movement in its entirety.

Nevertheless, the commanders are faced with two situations. For Manuel Marulanda Velez, the possibility of becoming a political leader is not attractive. He has a military background, and he is still convinced that it is possible to attain power through military means.

In the case of Raul Reyes and Alfonso Cano, Antonio Navarro's experience could convince them. They are young people with academic training who still see politics as a viable alternative.

Jacobo's Plans

Getting involved in some drug-trafficking activities brought significant financial benefit to the FARC. Their presence in areas where coca is grown was a key. They

charged fees for allowing the product to leave, and they guarded the fields where it was being grown.

In this way, the FARC really earned the large amounts of money that it took in, and thus became economically independent of its grassroots organizations.

At the time, Jacobo Arenas, the movement's top ideologue, never considered in public or in private the alternative of a full demobilization. The reason is that the FARC was expanding its fronts and weaponry, and it had a greater presence in some areas of the country: Sumapaz, Meta, Caqueta, Vichada, Sierra Nevada de Santa Marta, and southwestern Santander.

During that same period, Jacobo Arenas saw the realization of one of his oldest dreams: a political party that had an impact on public opinion, with clear leftist tendencies, but one that was legal: the Patriotic Union.

Arenas and Marulanda were so certain of a military victory that during the peace process launched by the government of Belisario Betancur, Arenas drafted a document in which he explained the new political-military strategies with a view to the decade of the 1990's.

Militarily, every front was supposed to have money in both dollars and pesos, guns, a large number of guerrillas (close to 300), and increased command training.

The strategy called for the fronts to become mobile guerrilla units (of six or seven people) that would attack the country's economic infrastructure. All together they would compose an army of 40,000 men that would launch an unprecedented offensive.

On the political front, the idea was to negotiate with the government and to continue opening the doors to dialogue, but after the attacks. In addition, they would seek to internationalize the conflict through all means, and to get the church involved in its capacity as moral and spiritual guide. They would also emphasize political work among influential groups through messages and cultural events.

It is no surprise, then, that the FARC should be burning buses, bombing pipelines, and assaulting businesses and factories. This is part of a plan that was designed back when Belisario Betancur declared the truce.

Therefore, a serious and lasting peace process cannot be based on the idea that we are dealing with defeated guerrillas; this is a lucrative business enterprise.

* ELN Financial Base Partially Dismantled

91SM0280E Bogota EL ESPECTADOR in Spanish 23 Mar 91 p 10A

[Text] Bogota—As a result of patient intelligence work, the Army 5th Brigade, headquartered in Bucaramanga, has succeeded in seizing the financial apparatus of the subversive Army of National Liberation (ELN) in the northeastern part of the country.

Early yesterday morning units from that garrison raided a house where four subversives were staying. One of them is considered the most important man in the financial management of that armed organization.

The man, identified as Faustino Gerardo Pomar Gutierrez, alias "El Gordo" [the fat one], is believed by Military Intelligence to be the founder of the Efrain Pabon Pabon Guerrilla Front. He was in charge of managing and "legalizing" the money obtained from kidnapping, extorsion, "boleteos" [protection rackets], and other illicit activities carried out by the ELN to finance its terrorist actions.

Also captured in the operation were Raul Navarro Lazaro, alias "Jaime," the leader of the northeastern war front; Nancy Quintero Caceres, alias "Arely," a member of the Camilo Torres Front; and Isbelia Quinonez Ochoa, alias "Nancy," coordinator of the subversive organization's medical corps.

Confession

The command of the 5th Brigade reported that Pomar Gutierrez confessed his ties to the guerrilla group under questioning, and supplied details regarding the way he had been "legally" managing the ELN's financial resources.

According to the same source, the subject informed on other people working with him for the subversive group. He reportedly said that they are individuals that "no one could imagine being involved in this."

Also found at the raided house were documents detailing the preparation of a terrorist plan whereby the ELN intended to make armed incursions into some towns in the province of Garcia Rovira in Santander, including Carcasi, Concepcion, Cerrito, San Andres, Macaravita, and Capitanejo.

It was reported that another place in the sights of the subversive group is Sabana de Torres, near the municipality of Puerto Wilches in Antioquia.

The investigative work also revealed that the ELN has created defense groups made up of peasants from the northeastern regions of the country. It calls them "popular militias," or "milpas" [cornfields] for short.

On Their Trail

Military intelligence, acting on tips from citizens regarding unusual activities in a house in the Carlos Toledo Plata district, in southwestern Bucaramanga, began the investation months ago.

After the information gathering stage, a number of operations were ordered. The first one began last Thursday night and culminated early yesterday morning

with the raid on the aforementioned house and the capture of the four subversives.

The brigade command warned that although this represents a severe blow to the subversive group's economic base, it does not mean the total dismantling of the ELN. The command acknowledged that the ELN is well organized and has a complex infrastructure.

It indicated that in addition, the armed movement operates in complete secrecy and is "compartmentalized." This means that its combatants know about the organization only what it allows them to know, and when one member is captured, he cannot give the authorities much information.

* Poll Results on Future of Economy, Concerns

91SM0280B Cali EL PAIS in Spanish 19 Mar 91 p A3

[Article by Oscar Cardona]

[Text] Residents of Cali seem to be the most optimistic group of Colombians at the moment.

This is suggested by the results of a survey conducted among 744 middle class men and women in Bogota, Cali, Medellin, and Barranquilla by the public relations firm Centrum, Ogilvy & Mather.

According to the poll, Cali residents are the only group that thinks the country's economic situation will be better in 1991 than in the previous year.

Thirty-nine percent of those surveyed in Cali said this, while in Bogota, Medellin, and Barranquilla, those who thought the economy would grow worse made up 31 percent, 44 percent, and 52 percent of the respondents, respectively.

Similarly, residents of Cali (32 percent) and Bogota (43 percent) are most likely to think that the economic situation of Colombian households will improve this year.

In contrast, those living in Medellin (32 percent) and Barranquilla (38 percent) make up the most pessimistic group, stating that the economic situation in households will be worse.

Problems

This new poll by Centrum, Ogilvy & Mather focused on opinions about the country's situation.

According to the study, in Cali and Barranquilla people think that Colombia's worst problem right now is unemployment, while in Bogota the cost of living was cited. In Medellin, respondents mentioned the undeniable presence of violence as the worst problem.

The high cost of living is attributed primarily to previous governments and the lack of control by the authorities.

The largest percentage of those interviewed in all cities indicated that the problem they expect to improve the most under the Gaviria administration is that of violence and terrorism.

Residents of all four cities, in contrast, expressed little hope that the government will be able to make a difference in housing and education.

Problem of the Future

The survey also measured the degree of confidence people have in institutions. The largest percentages obtained in the four cities indicate that the family is the institution that enjoys the most confidence, followed by private enterprise and the church.

On the contrary, there is a great deal of mistrust of police, military, and government authorities in these cities.

Looking to the future, the majority of the respondents, in Cali as well as the other cities, indicated that hunger will be Colombia's greatest problem in the year 2000.

Other factors that are of concern, particularly in Cali, are overpopulation, unemployment, war, and environmental pollution.

Consumption

Finally, the study looked at consumption trends among Colombians, and at how they spend their free time.

In keeping with the results of similar studies, it appears that watching television is the activity Colombians most like to do at home (46 percent), followed by reading books (22 percent).

As for activities to do away from home on weekends, the preference is to go to the countryside (29 percent), visit friends (24 percent), and engage in sports (16 percent).

The interviews were conducted in October and November 1990 by employees of Centrum, Ogilvy & Mather's Cali and Bogota offices.

Carmen Elisa Lerma was the expert in charge of analyzing the results.

* Growth of Economy During 1991 Assessed

91SM0280A Medellin EL COLOMBIANO in Spanish 20 Mar 91 p 9A

[Article by German Jimenez Morales]

[Text] The Colombian economy may grow at a rate of 2.0 to 2.5 percent this year, estimates the Federation for Development (Fedesarrollo).

Nevertheless, this research center's predictions do not take into account the effects of terrorist action on the national production infrastructure, not because it is deliberately minimizing the importance of such actions.

but because it has not yet found the best methodology for measuring their impact. Unlike the analysts, the government does seem to have found a formula: several weeks ago it stated that the 200 billion pesos in losses sustained by the economy as a result of various attacks will have the effect of reducing GDP [gross dometic product] growth by 0.5 percentage points.

Accepting this figure and comparing it with the Fedesarrollo calculations, we can infer that the Colombian economy will grow by a mere 1.5 percent this year.

On the other hand, it is possible that by the end of the year Finance Minister Rudolf Hommes will have to resign, because the institution's prognosis contains no clear indication that the goal of 22-percent inflation can be achieved. The chief of public finance offered his head on a platter to the most vehement enemies of the monetary "belt-tightening," which he has been advocating as a means of breaking the back of the inflationary spiral. If Hommes' prescription passes the test, the lowest possible rate that inflation could reach by the end of 1991 would be 25.1 percent, 7.2 points lower than the 1990 rate.

Economy Depressed

A reduction of this magnitude is quite significant, especially if we recall that in recent years economic agents had been resigned to rates in the order of 30 percent. Expectations that inflation will continue by inertia are subsiding, and from now on the key role will be played by economic policy, particularly the ironfisted monetary controls, the fiscal adjustment, and the curbing of public spending.

The cost of Hommes' "belt-tightening," however, is slower growth, and one of the sectors most seriously affected would be industry. This is suggested by Fedesarrollo's simulations and projections, which were presented yesterday in this city by Catalina Crane in a seminar organized by the Medellin Chamber of Commerce and the Antioquia Commercial Bank.

The first thing that must be taken into consideration is the basic premises of the academic exercise, or, if you will, the principal ingredients that go into the crystal ball: The devaluation rate is assumed to be 22 percent, which the government has neither officially announced nor denied. Worldwide inflation is estimated at 5 percent. The price of a barrel of oil on the world market is set at $18.20, a figure derived from averaging the projected high and low; this is also the figure used by the government for its budget projections. It is assumed that wages will rise at a rate of 29 percent. The domestic price of coffee is estimated to be 22 percent higher, while the foreign market price is pegged at $0.85 per pound. In addition, it is predicted that coffee exports will decline in volume by 10 percent, that coffee production will increase by 3.2 percent, and that farm production will continue at the pace of previous years, growing at 4.5 percent.

Add to the above the premise that the budget deficit will be zero this year, since that is the Gaviria administration's intent, plus the effects of monetary policy on investment.

What Do We Get?

After compiling and processing all this data, Fedesarrollo concludes that the economy as a whole will expand by 2.0 to 2.5 percent this year, far short of 1990's 3.7 percent (this figure is not yet final).

When we look at the projected fate of the principal economic activities in 1991, we can see how hard industry is supposed to be hit: a negative growth of 1 percent, or if the winds are not too unfavorable, perhaps it will remain on an even keel, as indicated in the chart.

Construction faces a slightly more optimistic scenario, with a growth rate of up to 4.5 percent, provided that public sector investment serves as a stimulant by growing at a rate of 10.4 percent.

As for foreign trade, total external sales could grow by 2.1 percent, a rather timid rate, although it is added that sales of minor exports will jump by 17 percent in dollars.

Imports are not expected to rise by more than 8 percent in either scenario, and this will continue to be a surprise in the liberalization program that the government is promoting.

Critical Variables

And what if things do not turn out the way Fedesarrollo's basic model predicts?

Curiously, the same exercise provides answers to this question. For example, if the devaluation is not 22 percent but rises to 25 percent to meet the demands of those who see an opportunity to make exports more competitive, the effects will be particularly harmful. The economy will grow by still less, a mere 1.8 percent. And remember that the impact of terrorist actions is not included here. Inflation may not drop to 25 percent; it may stop its descent at 26 percent. Industry would then see a 1.3-percent downturn, while construction's dream of recovery would have to wait a while longer, as it would grow by just 2.2 percent. And as if that were not enough, imports would climb by just 5.4 percent.

If the economic team's only objective were to break the back of inflation, come what may, "it would be nice" if the international price of petroleum were not $18 but $16 per barrel.

In that event, the consumer price index would drop to 24.5 percent. On the other hand, the GDP would rise by a measly 0.7 percent. Manufacturing activity would suffer more in this scenario than in any other, with a 3-percent decline. Construction would not be helped either; this is the only scenario in which it would have negative growth: 2.2 percent.

The Economy in 1991: Fedesarrollo Projections

Variable	Low	High
GDP	2.0%	2.5%
Industry	-1.0%	0.0%
Construction	2.2%	4.5%
Private consumption	1.8%	2.3%
Private investment	-0.3%	0.1%
Public investment	6.1%	10.4%
Exports	2.1%	1.9%
Imports	7.0%	8.1%
Inflation	25.1%	25.4%

What Are Investment Priorities?

Also participating in the event organized by the Medellin Chamber of Commerce and the Antioquia Commercial Bank was Fedesarrollo researcher Eduardo Lora Torres, who discussed several issues that have to be addressed in the future. In his opinion, there is one basic matter on which there has been no timely response: What are investment priorities at this time?

This involves questions such as how many ports Colombia should have. Some would tend to reply spontaneously that it needs more, but the analyst said that it might be sufficient to have one large port on the Atlantic and another on the Pacific, both equipped with the latest technology. That is the trend in the developed world, rather than maintaining a large number of inefficient ports, as is done in our country.

Another question is what priority should be given to the railroads, and the reply is usually that they must be restored to financial health. But others contend that modern railroad systems require a high ratio of cargo moved per square kilometer in order to be profitable. A comparison of this indicator between Colombia and France reveals that for every square kilometer in that country, 50 times more product is generated than in our country. The same figure for Germany is nearly 80 times greater than ours. "This suggests that if we aspire to have a similar system, we are at a disadvantage of 50 or 80 to 1, because we simply cannot generate the cargo density that a modern railway system needs to move."

The final question is what priority should be assigned to highways. A study by Rodolfo Segovia Salas indicates that the country needs only 19 main two-lane highways, parallel and independent, to connect the major production centers and export ports. The cost is reasonable: 800 billion pesos. It could be financed by raising the price of gasoline, and it could be carried out in four or five years without great difficulty.

Paraguay

Rodriguez Says Courts To Probe Rights Violations

PY2504022091 Asuncion HOY in Spanish
24 Apr 91 p 9

[Text] Paraguayan President Andres Rodriguez said yesterday that the revelations by police officer Eusebio Monzon [head of security personnel at the Legislative Palace] about human rights violations committed during the previous government are in the hands of the courts, which will "determine if the charges are true or not."

Rodriguez made these remarks yesterday morning at the 4th Cavalry Regiment "Aca Caraya," where special celebrations were held to mark the Day of Saint George, the patron saint of cavalry men.

Commenting on Monzon's charges, Rodriguez said: "This is what the judicial branch is for. It is this independent branch which should determine if these actions occurred or not." He noted that once those responsible are identified, "they will be punished accordingly."

Commenting on the Armed Forces role in promoting human rights, Rodriguez said: "I believe we are promoting human rights when we provide these comfortable facilities to the citizens from the countryside who have come here to serve under our national flag to fulfill their mandatory military service. I believe we are recognizing these citizens' rights to live as true human beings."

Rodriguez also commented on the Armed Forces' unshakeable decision to fight corruption and the drug trade, a decision which was reemphasized yesterday in a speech by General Humberto Garcete, commander of the 1st Corps. Rodriguez said: "We are of course committed to it. We believe, however, that the Armed Forces should not be the only ones fighting corruption to make it possible for everyone to lead a happy life."

Regarding the "relentless war" declared by the Armed Forces against corruption and the drug trade, Rodriguez gave special significance to the role played by Paraguayan media organizations. He said: "We are all involved in this, especially the press, because thanks to its constructive criticism we can take the appropriate measures. Thus, we are all committed to defending our way of life as human beings and, together, we can take action against all cases of corruption so that we can once and for all eradicate it from Paraguay."

Commenting on his government's policy, which was endorsed by Gen. Garcete, Rodriguez said that the members of the Armed Forces "seek to cooperate with the Paraguayan people so that we can all live in peace, agreement, tolerance, love, and with hope for our future. This is our desire, and I hereby call on all those people who still believe it is impossible for us to walk together in the same direction and on the same path."

Army Corps Commander Vows To Fight Corruption

PY2404180491 Asuncion NOTICIAS in Spanish 24 Apr 91 p 13

[Excerpts] "The Armed Forces are deeply committed to the unyielding defense of democracy." This is the fervent message in yesterday's speech by General Ramon Humberto Garcete, the commander of the 1st Army Corps. He said that his speech reflects the thoughts of his comrades, in light of some doubts that have appeared within society on the current role of the Army. He reiterated that "a relentless war will be waged against all types of corruption, drug trafficking, violations of the law, and other crimes."

President Andres Rodriguez, high-ranking commanders, and special guests attended the celebrations honoring St. George, the patron saint of the cavalry. The celebrations were held yesterday at the RC [cavalry regiment] 4 Aca Caraya headquarters.

During the central part of the ceremony, which was also attended by most of the ambassadors accredited to our country, Gen. Garcete delivered a speech on the anniversary of the cavalry and on the day of cavalry officers. The commander clarified the position of the Armed Forces toward the current political transition process, emphasizing the Armed Forces' opinion on some recent events that have called the attention of the public. [passage omitted]

Garcete said that steps have obviously been taken, and that the people have reachieved their right to dissent, to express their opinion, to engage in dialogue, and to express their concerns, demands, and proposals.

He said that the long and dark night of autocracy, inefficiency, heavy-handedness, privileged minorities, and the unfair marginalization of, and disregard for, large sectors of the population is obviously over. [passage omitted]

He said that all citizens should contribute at this crucial moment. "We hate to see that there are individuals or groups who, instead of supporting the process, have raised obstacles and have obstructed it. They are permanently negative people who sow the seeds of hopelessness and pessimism," he said. Garcete also mentioned "those selfish people who disregard and ignore the common well-being because they are obsessed by their own interests." [passage omitted]

Garcete said that the Armed Forces are deeply committed to the unyielding defense of democracy, for which they have offered the lives of their members; no one should believe that this blood was shed in vain." [quotation mark as published]

The Army commander said that this is why they have resolutely joined the all-out war that the government, the political leaders, and the entire citizenry are waging against all forms of corruption, drug trafficking, and other crimes and violations of the law that could affect our present situation. [passage omitted]

He finally appealed to his comrades in arms to clearly show that they support his appeal—so that his call does not appear as mere rhetorics—asking them that every day, when they hear reveille, they recall "our sacred commitment to the people."

First Quarter Foreign Debt Obligations Paid

PY2204204291 Asuncion ABC COLOR in Spanish 20 Apr 91 p 12

[Text] The Central Bank of Paraguay (BCP) announced yesterday that during the first quarter of 1991, Paraguay paid $8.0 million on its debt with foreign commercial banks and $7.4 million on its debt with the Paris Club whose renegotiation is pending. In addition, $11.6 million of principal was paid back to multilateral organizations (among them the IDB [Inter-American Development Bank, the World Bank, and the Fonplata [Fund for the Development of the Basin of the Plate River]).

This shows the new attitude of the government toward the creditor commercial banks, seeking to meet the requirements of the IMF so that it will approve Paraguay's letter of intent and clear the way for negotiations with the Paris Club.

Payments were also made to Japan in March, allowing the release of credits for small- and medium-sized agricultural activities. Japan has responded by releasing $79 million as the first installment of the line of credit that will be channeled through the National Development Bank.

The country has during the first quarter of 1991 paid a total of $41.6 million, of which $26.3 million went to amortize principal and $15.3 million to service interest.

The BCP explained that outstanding foreign obligations have been reduced by normally servicing the debt with multinational organizations. The dollar has climbed and this has helped to improve the basket of currencies in which the country's foreign debt is held.

With the payments made to creditor banks, the Paris Club, and multilateral organizations, the balance of the outstanding foreign debt stood at $1.672 billion on 31 March 1991. This is 1.6 percent lower than when at stood at $1.7 billion on 31 December 1990. Overdue interest is included in these figures.

From 31 December 1990 to 31 March 1991, the country's outstanding debt by groups of creditors has decreased as follows: Paris Club from $819.9 to $812.5 million; commercial banks from $228.7 to $220.7 million; and multinational organizations from $651.1 to $639.5 million.

The structure of the official debt shows that the Paris Club is the leading creditor with 49 percent, followed by

the multinational organizations with 38 percent, and the commercial banks with 13 percent.

The largest debtors are the public enterprises, which are responsible for 44 percent of the debt, the central government is responsible for 43 percent, and the financial institutions for 13 percent.

Some 52 percent of the foreign debt is owed by the Public Works and Communications Ministry, the National Cement Industry, ANDE [National Electric Power Administration], and Antelco [National Telecommunications Administration].

Overdue debt (principal and interest) accumulated to 31 March 1991 amounts to $393 million. Overdue obligations with the Paris Club to that date represent 60.2 percent of the total arrears, with 39.8 percent owed to the commercial banks. Through this past March, the country has received $63.2 million in new foreign loans. Most of this has come from the Export-Import Bank of the Republic of China, which granted $55 million in credits.

Peru

Prime Minister Departs for Meetings in Luxembourg

PY2504033491 Lima RTP Television Network in Spanish 0100 GMT 25 Apr 91

[Text] Carlos Torres y Torres Lara, president of the Council of Ministers and prime minister, left today for Luxembourg where he will attend the meeting of Rio Group and EEC foreign ministers. The prime minister noted before leaving that he will sign cooperation agreements with the Spanish and Italian Governments after the summit of foreign ministers.

Uruguay

Officers To Join UN Multinational Force in Iraq

PY2504020091 Madrid EFE in Spanish 2353 GMT 24 Apr 91

[Text] Montevideo, 24 Apr (EFE)—Uruguay will be represented by eight military officers in the UN multinational peace force—better known as the "blue helmets"—that will be deployed to the Iraqi-Kuwaiti border.

Military spokesmen have reported that Lieutenant Colonel Adhemar Felipe, chief of the Uruguayan delegation, left today for the Persian Gulf to place himself under the orders of the UN delegates.

The Uruguayan military delegation, which will leave next week, also includes Major Enrique Desanto; Captains Hector Gularte, Jorge Sanabria, Dardo Morales, and Carlos Acosta; and two other officers who will be appointed in the next few days. The sources added that the Uruguayan officers will serve for one year in a small village in southern Iraq where living conditions will be "harsh."

The multinational peace force will be made up of military men from 17 countries, four of which are in South America: Argentina, Chile, Uruguay, and Venezuela.

The same sources mentioned the "possibility" of the Uruguayan Army commander, Lieutenant General Guillermo de Nava, visiting the military deployed in the Persian Gulf region in the next few months.

It was agreed to establish a multinational peace force on the Iraqi-Kuwaiti border at the end of the war between the Iraqis and the allied forces headed by the United States.